Daily Report

Central Eurasia

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FBIS-SOV-96-084 *30 April 1996*

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Russia: 'Stability' Seen as Yeltsin's Main Card

MM3004113396 Moscow IZVESTIYA in Russian 30 Apr 96 p 2

[Report by Yuriy Levada of the All-Russia Center for the Study of Public Opinion on Social and Economic Questions: "Everything Will Be Decided in the Second Round"]

[FBIS Translated Text]

Is a Third One Too Many?

So the official list of presidential candidates is practically decided. At the same time there is practically no doubt that only two main contenders have a real chance of making the second round — Zyuganov and Yeltsin. The levels of support for them, according to VTsIOM [All-Russia Center for the Study of Public Opinion on Social and Economic Questions] data as of 24 April, have drawn somewhat closer together as a result of an increase in B. Yeltsin's rating and are 26 and 21 percent of the vote respectively. (The question was put at the request of the "Itogi" television program). One can expect some movement in these indicators, but since the gap between the leading pair and their closest pursuers (currently Yavlinskiy with 11 percent) is pretty wide, it is hard to imagine anyone managing to get into the leaders' slipstream. Although this possibility cannot be ruled out yet: A "third force" was not only promised a long time ago, but is still awaited by many. Yavlinskiy, Lebed, and S. Fedorov all have considerable potential for support from people who do not wish to support either of the main contenders, but they are unlikely to be able or to have time to join forces. Particularly as the interests of these leaders' electorates differ significantly in many areas and they cannot simply be added together: You could get a devastating chemical reaction.

As for the new people in the candidates' list, who are little known to the public, put together they might take a few percent actually from the putative "third force" (not counting A. Tuleyev, who would inevitably erode part of Zyuganov's electorate).

From First Round To Second

The past two weeks have seen a small but essentially very important shift in the expected correlation of forces at the decisive stage of the election: Whereas until recently Yeltsin's pursuit of Zyuganov would accelerate and then slow, now he has moved half a step ahead. At the end of March, 29 and 30 percent, respectively, were prepared to support them in the second round; at the end of April it is 31 and 29 percent (of the total questioned). There is nothing sensation about this. The correlation of forces practically remains equal, although we do not rule out fluctuations for various reasons. But we should look more closely at the changes in the tendencies of different groups of voters.

If in the second round they had to choose between Yeltsin and Zyuganov, the votes would be distributed as follows (percentage of the total questioned; no indication of those who intend to vote against both or not participate in the election and those who did not reply):

	March		April	
	Yeltsin	Zyuganov	Yeltsin	Zyuganov
men	30	30	32	28
women	28	30	30	30
18-24	29	14	31	14
25-39	30	25	31	14
40-54	28	31	32	31
55 and over	29	42	25	[no figure]
higher education	42	22	45	18
secondary education	30	26	33	25
below secondary	22	39	23	38
directors	40	29	40	24
specialists	38	21	38	21
employees	40	27	33	18

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	March		April	
workers	22	32	29	29
students	38	7	33	16
pensioners	28	41	25	43
Moscow	57	22	43	21
big cities	35	24	35	26
small cities	32	27	32	26
villages	16	42	22	37

As we can see, there has been some increase in support for Yeltsin in the middle age groups, among those with higher or secondary education, and among employees and workers. Support for Zyuganov has increased in the groups at the two extremes (pensioners and students). There has been a fluctuation in the level of support for the main candidates in Moscow and in the countryside. Those who voted in the Duma elections for the NDR [Russia Is Our Home], Yabloko and also the KRO [Congress of Russian Communities] are more inclined to support Yeltsin in the second round:

	March		April	
	Yeltsin	Zyuganov	Yeltsin	Zyuganov
NDR	68	11	79	8
"Yabloko"	46	12	52	7
DVR	71	7	71	11
CPRF	6	81	5	86
KRO	23	23	31	17
LDPR	20	27	9	25

[DVR: Russia's Democratic Choice; LPDR: Liberal Democratic Party]

The number of "reserved" voted has not changed over the month: Around 40 percent of the electorate still refuse to come out on the side of any of the main contenders. Incidentally, if Zyuganov and Yavlinskiy were to make the second round there would be approximately the same correlation of votes between them: 28:32 in favor of the latter, again with 40 percent not choosing at the moment.

Expectations and Fears

At the end of March 17 percent expected that the situation would improve with Yeltsin continuing as president; 39 percent said it would remain unchanged; 32 percent that it would deteriorate. By the end of April positive expectations remain at the same level (18 percent), but hopes of stability have increased (46 percent), and fears that things will get worse have decreased (26 percent). The correlation between positive and negative expectations in the event of a Zyuganov victory have not changed (27:32), but in the event of success for Yavlinskiy it has deteriorated (was 21:12, is now 17:16). The current president's main trump card is the degree of stability which exists today and which people fear losing if there is a change at the top.

But the "logic of confrontation" is a weak factor at the moment. Only 10 percent of those questioned see the communists' coming to power as a threat to Russia, with 5 percent seeing the current leadership's remaining in power as a threat. Only 2 percent put their choice of candidate down to a wish to prevent Yeltsin from remaining president, with 4 percent saying they want to prevent the communists from getting the post. Incidentally, Yeltsin's actions in recent months have caused only 18 percent of those questioned to form a more favorable impression of him, with 26 percent forming a less favorable impression, and 44 percent

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having the same impression as before. It turns out that the president's activities most impress his "own people," those who are already inclined to back him.

But the "nationwide" expectations of success for Yeltsin continue to grow: At the end of March 35 percent and the end of April 41 percent believed that he will nonetheless be reelected, whereas 23 percent in March and 19 percent in April saw Zyuganov as the future president.

Who Is Laying Down Conditions

The situation of confrontation between two main forces in the runup to the election makes a nonsense, as it were, of the very idea of laying down conditions for support for the current president, which democratic politicians were talking about only recently. But this applies to politicians; voters lay down their own conditions. At the end of April 36 percent would not vote for vote for Yeltsin "in any circumstances"; 17 percent are prepared to support him unconditionally; 14 percent did not know; the rest said they would vote for Yeltsin only if he managed to:

organize regular pay and pensions — 13 percent;

secure a real peace in Chechnya — 11 percent;

give back to people the money they have lost in the course of the reforms — 10 percent;

purge the apparatus of people who take bribes — 5 percent;

ensure that the gunmen in Chechnya are routed — 4 percent;

unite the supporters of democracy and reforms — 3 percent.

(percentage of the number of people questioned; 1,600 people were questioned, some indicating more than one condition)

The conditions are clear, but not simple. The spring action to return the money owing to working people gave rise to a persistent, priority demand for regular payments. The "Chechnya" factor continues to undermine confidence in the present authorities and particularly in the president. One-third of those questioned believe that Yeltsin will not succeed in halting the military actions because he is not in control of the situation; more than one-fourth put this down to the activities of those forces in the country's leadership who want the war to continue, and only 10 percent blame the Dudayev gunmen.

The choices remain difficult both for the authorities and for the voters.

Russia: Yeltsin Plans To Win Over Some Election Race Rivals

LD3004063696 Moscow ITAR-TASS in English 0549 GMT 30 Apr 96

[By Natalya Cherepanova]

[FBIS Transcribed Text] ST. PETERSBURG April 30 (Itar-Tass) — President Boris Yeltsin plans to meet some of his election rivals to talk them into quitting the race in his support, according to his campaign organiser.

"Boris Yeltsin is planning a meeting with many of his rivals in the election race with the aim to reach an agreement and decrease the number of the names on the election ballot in favour of Yeltsin", Sergey Filatov, the chairman of the pan-Russian movement in support of the current president, said in St. Petersburg late on Thursday. [as received]

Filatov named liberal reformer Grigoriy Yavlinskiy as one of the rivals. "Such work is being actively conducted with the leader of the Yabloko movement Grigoriy Yavlinskiy", he said.

Yavlinskiy and two other presidential hopefuls, hard-rule advocate Aleksandr Lebed and eye surgeon Svyatoslav Fedorov, are known to represent the so-called "third force" which opposes both Yeltsin and communist leader Gennadiy Zyuganov.

On Thursday the leader of the pro-government Our Home is Russia faction in the State Duma, Sergey Belyayev, called on the "third force" to step down in support of Yeltsin.

So far 11 candidates have been officially registered for elections.

Russia: Chernomyrdin Reports to 25 Apr NDR Congress

MM3004090496 Moscow DOM I OTECHESTVO in Russian 27-30 Apr 96 pp I-II

["Abridged" version of report by Viktor Chernomyrdin, leader of the "Russian Is Our Home" movement, to the movement's Third Congress in Moscow on 25 April: "Viktor Chernomyrdin: Together We Will Win!"]

[FBIS Translated Text] The Third Congress of the "Russian Is Our Home" [NDR] movement held in Moscow on 25 April unequivocally supported Boris Yeltsin's reelection as Russian Federation president. The keynote report to the congress was presented by Viktor Chernomyrdin, the movement's leader.

We have entered an exceptionally crucial stage in the development of our movement. The election campaign

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has started and is gathering momentum. The NDR made its choice back in February. Everything is clear here. Our presidential candidate for the 16 June elections is Boris Nikolayevich Yeltsin.

A solid coalition of powerful democratic forces is developing around the president and his political course. The NDR is by no means bringing up the rear here. Russian citizens expect a great deal from us and are pinning hopes on us. We cannot let down those who trust us and voted for us in the parliamentary elections; those who are today becoming our allies and supporters; those who are transforming the Russian state by their labor and talent.

I am not a supporter of high-flown words and ringing emotions in speeches, endless references to every possible kind of "-ism," pledges of loyalty, promises to stand fast to the last, and so forth. In politics, in my view, this is a sign of immaturity. As is looking for all kinds of "lethal" threats and dangers. This is not our style.

We offer something different — shouldering the load and doing the job, assuming, as they say, the full burden of state responsibility. This is also something which our president is not short of. He's got what it takes. With enough to spare for all the other contenders. This is why our movement is with him, this is why we will fight for his victory as if we were fighting for ourselves.

There are all kinds of different things in our lives today. But there is one main thing. That thing is Russia. It is our strength and our truth. It was on the basis of these that we made our choice. And so when we say that Boris Nikolayevich Yeltsin is our candidate, this means that he is the candidate of Russia. Of the Russia which is within us all. Of that great country which we are building and reviving. Of that Russia which we love and in which we believe. Of that Russia which we cannot, which we have no right to let down.

We support Boris Nikolayevich first and foremost because we want the new democratic Russia to continue. And this means that on 16 June we will be voting for our Fatherland in the 21st century, for the chance of creative progress, for a situation in which reforms in the country can be seen through to the end for the first time in centuries.

We are still only building our home. And we must complete what has been started. So we will also be voting to ensure this is not denied us.

Of course, the transition period in which the country finds itself cannot be considered either normal or just. But it has to be patiently and bravely gone through to the end. Failing or retreating would mean depriving our own children of their future.

Therefore our task, and likewise the point of our congress today, is to seriously gear ourselves up for victory. But on its own confidence in victory is not enough. We have to get there, achieve it, win it.

A very tough political struggle lies ahead in the next few weeks. And it is now extremely important for us to take a self-critical and objective look at our potential and organizational and propaganda possibilities, resolutely rejecting false confidence and euphoria. We have to mobilize ourselves for all areas of work in the election campaign, get ourselves into good political shape, and significantly step up our political activeness.

And serious work — and seriously is precisely the way that we have to approach the presidential elections — requires precise and rational organization and reliable working instruments. And we possess such an instrument. It is our movement with its political and organizational structures and ramified network of support points in 85 regions of Russia.

And this is a movement which is still not one year old yet! Looking back, you are sometimes astonished that it proved possible in a matter of months to rally a real active political force, gear it up, and get 50-plus deputies into the Duma under its flag.

A quite definite conclusion should be drawn from this:

"Russia Is Our Home" has already become established as an appreciable, as the biggest organization in the ranks of the reformist forces.

Back in June 1995 the number of NDR supporters, together with collective members (of which we now have 30 or so), came to around half a million people, whereas today there are almost 10 million marching with the movement in its ranks.

Our corps of activists is also strengthening and growing in size and intellectual stature. More than 300 people are now working in "Our Home" organizations on a professional basis. These are mainly skilled, competent, proficient organizers.

For example a creative approach is characteristic of Vladimir Ivanovich Okun, leader of the movement's Orenburg executive committee. He has managed to create a cohesive collective of activists and organize strong links with the oblast's rayons, to which he is always ready to offer support. Good contacts with the oblast administration, knowledgeability, and initiative are the hallmarks of Ivan Andreyevich Kardakov, chairman of the Tver Executive Committee, and many, many others of our comrades.

Incidentally, this is a pretty touchy topic which I cannot ignore — mutual relations between regional branches

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of the NDR and the local administration. In a number of regions — as a rule where things are going pretty well and the political and economic situation is satisfactory — there is a completely courteous attitude to our organizations' activity. And in many such regions administration heads actively help and participate in the movement's everyday work. This is the case in Yaroslavl, Perm, and Astrakhan Oblasts, Bashkortostan, Tatarstan, the Komi Republic, and Krasnodar and Krasnoyarsk Krays.

But it is not always like that. In a number of regions there would appear to be no opposition. But there is no real assistance either. And in some places you can talk about covert opposition to the activity of regional NDR organizations. Such trends have been demonstrated most conspicuously since the Duma elections and on the eve of the presidentials. Some of our erstwhile "activists" have adopted a wait-and-see attitude and are not doing any work but are not disbanding and can be categorized as "tokens" rather than "fighting forces."

An "Our Home" youth organization is being formed with the main task of strengthening the younger generation's role in reforming society and shaping young politicians and convinced supporters of democratic transformations.

I believe that real opportunities are now emerging for strengthening contacts with the trade unions. They constitute an enormous force which could play a considerable role in the coming presidential elections. As you know, the trade unions of working people in the mining and metallurgy industry, engineering and technical workers, and motor vehicle transport, the Congress of Russian Trade Unions, and "Sotsprof" [Association of Socialist Trade Unions] have adopted decisions to support B.N. Yeltsin. So further consolidating our actions is on the agenda. Contacts with sector trade unions belonging to the Federation of Independent Trade Unions of Russia could also be promising.

We are playing an effective part in the work of regional headquarters and "People's Homes" and giving practical support to the president's agents. Our representatives are tasked with the exceptionally crucial job of collecting money for our candidate's election fund and monitoring its precise expenditure in accordance with the law.

We are already involved in the campaign. The task is to fine-tune it and mobilize all our forces.

On the subject of the NDR parliamentary faction. It is currently the youngest in the State Duma.

The first few weeks were particularly difficult, when we had to resolve the dual task of forming a major faction and ensuring that it was duly represented in the Duma's leadership bodies. I have to say that our colleagues coped with this. Essentially we now have deputies on all the committees without exception and in all sectors of the lawmaking process.

It is very important that, unlike many others, our faction displays stability. Nobody has ever withdrawn from it or defected. A harmonious and, in the full sense of the word, creative collective is developing which together with its leader is rapidly learning the difficult science of parliamentary struggle. I believe that we have taken note of everything and assessed the position adopted by the faction in accordance with the movement's program principles on the most fundamental questions of Duma votes. These include both the denunciation of the Belovezhskaya accords and the endless draft laws on the alleged "social protection" of civilians which in fact merely destroy the budget and help to reduce the value of people's incomes and many other things besides.

Our deputies' visits to the regions deserve a good word and all-possible support. As chairman of the government I can say that I am tangibly aware of the consequences of their two-week visits to both the North Caucasus and the Far East. A considerable number of sensible proposals stemming from life itself were submitted on the basis of the results of these trips. And that is how it should be. I would be pleased if all deputies created only these kinds of problems for the government. Of course it would seem to still be a little premature to demand a lot of things at the beginning of a four-year term. The faction is only just picking up speed. Nevertheless there are several factors to which it would be worth drawing attention.

First, actual lawmaking, legislative activity.

I know that five draft laws — "On the Subsistence Minimum"; "On Compensation for Russian Federation Savings Bank Deposits Which Have Lost Their Value"; "On Tax Incentives for Economic Growth"; "On Compensation for Wage Arrears"; and "On Domestic Investment" — are now nearing completion. Work has started on yet another seven draft laws. It can be said without any exaggeration that they are all of above-average importance. We have pretty good groundwork in place, you might say.

But where are the actual fruits of all this? Where is the inclusion of NDR draft laws on the agenda for Duma plenary sessions? Some things are still not visible. Meanwhile time marches on.

I believe that we are entitled to also count on great political activity on the part of deputies in the course of the election campaign. They must speak, argue,

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and persuade in public more often and work more intensively in their own regions.

Yet another sphere of vital activity for "Our Home" is further work on the movement's program provisions and the search for answers to the new questions which life sets us.

I would single out six main areas.

The first naturally concerns the entire set of problems arising at the new stage of economic transformations on which the country is embarking.

I have to say that the government is keeping the general economic situation under control, although you cannot call the situation here easy. There are indisputable positive results. In terms of first-quarter results we have the lowest price inflation rates in four years. We expect that we will get through April at somewhere between 2.4 and 2.6 percent. This is lower than in previous months.

The population's real incomes have started rising somewhat. In January-March they increased 2 percent in comparison with last year. In the process the growth of income differentiation virtually stopped, and the number of people living below the poverty line fell by almost 10 million.

But that is just one side of the coin. On the other side we have stagnating production; extremely flat and almost undetectable investment; enormous payments arrears; federal budget implementation which is finding the going hard and tough; and a shortfall against the planned figures for collecting taxes and bringing in other revenues.

In these conditions, when the economy is adjusting to relatively low prices and experiencing a so-called crisis of stabilization, we cannot manage just by repeating the road we have already traveled. New emphases and approaches are needed.

First and foremost we are duty-bound to meet the budget target, refrain from revising the principles governing the structure and implementation of the budget this year, and stay within financial stabilization parameters enabling capital investments to start to rise.

This is the point at which the main process begins.

First, there is a need for reliable mechanisms to encourage investment.

Second, a breakthrough in the sphere of what economists call institutional change is simply essential.

And this is a truly huge field for creative initiative since we are talking about the unconditional continuation of privatization, tough control over natural monopolies, the encouragement of competition, the stability of the banking system, the development of forms of integration of industrial and financial capital, the fine-tuning of the system of effective management of state property, the protection of shareholders' and investors' rights, the strengthening of the joint-stock form of ownership, the implementation of citizens' rights to own land, the introduction of surety law and mortgages into economic practice, and the beginning of tax reform.

It is undoubtedly possible to keep adding to this list. I believe that the scale of the task is clear. And also its urgency, since literally every area promises savings on state expenditure, the possibility of redistributing it into social and humanitarian objectives, and the growth of budget revenue.

Taking new steps in economic development and putting real meat on the social guarantees to our citizens require the renewal and rationalization of the entire system of financial relations. But this itself starts with the strengthening of existing market institutions and the establishment of new ones. From the fundamental right to private property to minimum state social standards.

The second area — the development of federalism and the shaping of a system of organs of local self-government — also closely linked with everything I have said. All money flows, all social problems, including the payment of wage and pension arrears, all state purchases fall one way or another on the regions. There is an infinite amount of work here since in Russia there is a regional dimension to any policy. And our task is to convert it from a mere appendage, as is often the case right now, to the most important component of the content and substance of our cause.

The next area is nationalities policy.

Our program has too much rhetoric on this subject and too little analysis of the experience of recent years. The gaps must be plugged. Especially since we have both the forces and the opportunities for this.

Among the other priorities of the movement's program activity which I could talk about at length and in detail — but I think I might refrain from this because they are so obvious — I would cite another two: the preparation and implementation of Armed Forces reform and the elaboration of questions of international politics taking account of the new opportunities for strengthening nuclear security arrangements and of Russia's upcoming full admission to the club of leading industrially developed countries; in other words, the transformation of the G-7 into the G-8.

I particularly wish to talk about the most important theoretical, political, and practical problem of the progress

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of real integration in the Commonwealth of Independent States. Everything that is currently happening in this most important area requires in-depth interpretation. And on the basis of qualitatively new criteria, since conventional "union" categories are unsuitable and look one- dimensional here.

It is important to realize that the intensified integration of the four states and the creation of the Community of Russia and Belarus are not artificial but completely natural processes proceeding on a normal civilized basis without any infringement of the parties' rights or limitations on their sovereignty. It is precisely this approach, rather than the rewriting of history or the revival of something already consigned to the past, which must be the hallmark our consistent political position.

Nor can we stand aside today from such a vital subject as the peace settlement in Chechnya. It is currently just at the very beginning. The young shoots of peace are still very fragile. It would be the easiest thing in the world to trample them underfoot and put things into reverse. And unfortunately there are a considerable number of people with a direct interest in this. But there is will be no way back to the blood and horrors of war. The whole of honest Russia feels pain as a result of the Chechen tragedy. And I am convinced that peace will come. It is the duty of all sensible people to achieve this.

Our movement's place is only among such people. But this is not enough. We have a special responsibility. Many people in the NDR were in at the very beginning of the peace initiatives. "Our Home's" position has always been clear and comprehensible. If that had not been so, almost 49 percent of voters in the Chechen Republic would not have voted for us last December. And they were the ones who presented us all with a mandate for peace. I believe that we have still not justified their trust. The movement must get more thoroughly involved in implementing the president's peace plan. And help to build a normal life, hold elections, and elaborate the most important legal documents. Public initiative in this direction would be very useful at this time. We must make all our political work as public as possible and comprehensible and open to all movement members and all citizens of Russia.

To explain our views we will make use of our positions in the mass media, which include a plan to create a regular newspaper of our own. As yet it is coming out as a weekly supplement to ROSSIYSKAYA GAZETA, but subsequently it is to acquire independent status. It would also be worth giving thought to having our own television and radio programs. This is essential in big-league politics today.

I would like to touch on yet another issues of concern to everybody. The subject of the movement's political prospects after the elections. You can often hear appeals for us to transform ourselves into a political party as soon as possible.

To be honest, I would urge not forcing the pace of natural political processes. Haste will only harm the cause. It would not be flattering for use to repeat the fate of many, many groupings widely known inside the Savodovoye Ringroad or even the Moscow Beltway.

A major political party of the new democratic type can only be based on the mass dissemination and rooting in society of the new political culture. And to resolve this task a broad sociopolitical movement in support of the presidential course of reforms is, in my view, the optimal form dictated by the times.

There is currently nothing more important than to form a powerful coalition of democratic and centrist forces in support of Boris Nikolayevich Yeltsin at the elections. This process is already getting underway before our very eyes. We are active participants in it. Now is not the time to try to gauge who is the biggest democrat or centrist in the country. The main goal is victory in the elections. That says it all.

At this time we are simply duty-bound to seek and find compromises, work shoulder to shoulder with allies, acquire the habits and culture of close cooperation within the framework of major political coalitions. We will lose nothing along this road — our own identity, organizational structures, or influence. We will only gain. This is a normal, absolutely logical and natural stage of our establishment and self-determination as a major political organization. And if any existing or emerging party wants to join us in this, you are welcome, as they say.

I think it is clear that after the elections the preservation and strengthening of the union of all supporters of the course pursued by President B.N. Yeltsin will be the most urgent task on the agenda. And the NDR's place here is predetermined too: It has to be one of the main pillars of the economic and political stability needed for the continuation of the reforms. And as for the question of creating a anew party, it must, it seems to me, growth precisely out of this alliance. Who would join whom and how is a second- priority question at this time. Apart from everything else, what Russians feel must also be heeded. Our view of the building of new parties is not without humor, to be frank. Many people will remember the old joke about the sewing machine factory worker

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who put together components which he took home from the shop floor and always ended up with a Kalashnikov automatic rifle.

I recent heard another version: Try and build a party as much as you like, you're bound to end up with something resembling the CPSU. The moral, I think, is clear.

The driving force of all the "Russia Is Our Home" movement's activity over the coming weeks is the election campaign. We have three main axes here: practical implementation of the president's policy by our representatives in the executive branch; lawmaking efforts by our parliamentary faction; and organization and propaganda activity by all our organizations.

The single common foundation of all these three facets of our work is the NDR's practical participation in Russia's transformation and rebirth. We are all responsible for this to our country's citizens. Responsible in both word and deed.

Let our slogan be "All together we will win!"

Russia: Zyuganov Views Bankers' Appeal to Presidential Candidates

LD3004103896 Moscow ITAR-TASS in English 0956 GMT 30 Apr 96

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, April 30 (Itar-Tass) — Communist candidate Gennadiy Zyuganov has promptly reacted to an appeal made by a group of Russian bankers to presidential candidates, offering an astonishing interpretation of the word "compromise" used by the bankers. The idea of "a political compromise" was presented by the entrepreneurs as a call urging presidential candidates to find a common language in the run-up to the elections in order to diminish polarization and instability in society. Zyuganov was the first to warmly approve this idea, saying that he would be satisfied if the presidential powers were curtailed and the State Duma were given the right to form the government.

While Kremlin analysts Georgiy Satarov and Aleksandr Livshits were pondering over a problem of creating "defensive mechanisms to lower election temperatures "in the country and another presidential candidate, Aleksandr Lebed, suggested "a moratorium on threats of revenge and vengeance" after June 16, Zyuganov cherished quite different hopes — to make the President and Prime Minister give the State Duma with its communist majority the right to form the government under the slogan of national accord.

One of the members of the Council for the elections of President Yeltsin wondered in an interview with Itar-Tass "what kind of a compromise would it be if Yeltsin, if he won the elections, would have to pay "extras" to communists for his victory." In short, the Russian President was not quite right, when he said that Chinese communists were pragmatic and Russian communists — fanatics. It was not more social welfare guarantees to workers that Zyuganov demanded in response to the bankers' appeal for stability, which would have been in line with his image of a benefactor taking care of low-income people. It was not the problem of the Chechen settlement that Zyuganov had in mind when he responded to the bankers' appeal. Instead, he singled out in the entrepreneurs' appeal entitled "Break the deadlock" a key line — the "legalization" of political agreements reached between main contenders to the presidential post, interpreting the word "legalization" as a hint suggesting re-distribution of powers before the elections were held. It was not without reason that both leaders of the "Our Home is Russia" bloc Sergey Belyayev and Presidential candidate Aleksandr Lebed look upon the bankers' appeal as posing a threat of a possible "top conspiracy" similar to the one when German industrialists helped Hitler become German Chancellor.

If the initiative put forward by Russian bankers gives Communists even the slightest chance to gain access to the executive power by means of "a compromise," one should think twice before making a decision on the practical realization of the bankers' appeal.

Russia: Entrepreneurs' Letter Hailed as 'Sensible Warning'

MM3004104296 Moscow TRUD in Russian 30 Apr 96 p 1

[Commentary by Lyudmila Pertsevaya: "Preventing Upheavals"]

[FBIS Translated Text] On Saturday even certain opposition publications published the appeal to the public by well-known representatives of Russian business circles (it arrived at TRUD after work on that issue was already complete). The businessmen "hit the spot." The election campaign really is splitting society more and more every day, putting people on different sides of the barricades, and immediately after the elections this confrontation could reach its apogee and lead to new upheavals. A sensible warning to those who are preparing, after victory, to trample underfoot the "losing" section of society is very timely. (Incidentally, this is a vivid manifestation of the tangible democratization of our society: People with their own opinion on very important national issues

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can express it and can expect to be heard.) The whole question is how the document will **work** from now on.

Gennadiy Zyuganov is prepared to enter into contacts with the authors, who represent national capital, and it is not ruled out that Boris Yeltsin will also take a serious interest — at least, his aide Aleksandr Livshits has already stated that he will recommend that the president do so. But nobody today can even imagine **how** to reduce to a compromise the existing ideological confrontation and differences in socioeconomic approaches. As A. Livshits also noted cautiously, "if it is a question of redistributing government portfolios, that is possible in principle, but I'm worried about the economy." Accords are all very well until they damage the cause, the vital interests of political forces, and then words and promises are simply forgotten. Let us recall the widely publicized campaign over the signing of the Treaty of Civil Accord: It was signed by virtually all influential forces, public associations, and parties — which did not prevent them subsequently from having their own opinion on any matter, their own slogans and special tactics in the struggle to uphold their positions. Another campaign — for the signing of the Russian Charter of Honest Business — recently ended basically in nothing, by virtue of the lack of prospects for its implementation. Does the same fate not lie in store for the letter of the Thirteen?

But the well-known entrepreneur Mark Masarskiy has stated that this appeal is a political error, that any compromise at the time of the elections will only be in the Communists' interests. He is worried that major businessmen who could only have "come into being" under Yeltsin do not believe in his victory and talk about mistakes by the reformists' team. He is surprised by the tone of ultimatums and the hint at the power of money, which the authors of the letter are threatening to demonstrate if.... If what? In whose name are they saying this? After all, the entire class of entrepreneurs did not sign this letter....

The skeptical assessment of this letter goes hand in hand with the optimistic one. We will hear many more speeches about a possible compromise between dangerously opposing forces. But if the entrepreneurs' appeal is heard by the main contenders for the presidency, if it helps to find a civilized form of accord and lessens the pitch of intransigence, that would be a real achievement.

Russia: Gorbachev Visits Irkutsk, Comments on Issues

MM2604133696 Moscow TRUD in Russian 25 Apr 96 p 3

[Report by Aleksey Komarov: "'Canards' Flying — But Not From Lake Baykal"]

[FBIS Translated Text] Irkutsk — The visit to Irkutsk by M.S. Gorbachev, former president of the USSR and Russian presidential candidate, passed without fuss or excitement, with no rallies or ostentatious "walkabouts." Flying in at 0300 hours, Mikhail Sergeyevich nevertheless looked sprightly and, early the next morning, was already answering questions from students and lecturers at the local pedagogical institute. This was followed by a conversation with Irkutsk Oblast Governor Yu.A. Nozhikov, which was held behind closed doors and, according to both sides, was of mutual interest. Mikhail Sergeyevich appeared on local television, spent more than an hour answering telephone questions from readers of the oblast newspaper, and gave a news conference in the evening.

The people of Irkutsk noted that the former USSR president "takes a punch" well, to use a sporting term, and hits back immediately. Two of M. Gorbachev's answers at the pedagogical institute, in particular, were immediately broadcast around the city with the help of the local gossip network. Asked why he was there without Raisa Maksimovna, Mikhail Sergeyevich replied: "There is no pleasing you! You used to criticize me for bringing her with me — now you criticize me for coming alone!" And, asked how he felt about B. Yeltsin's statement that the person who began the reforms should be the one to continue them, Gorbachev wholeheartedly agreed: "I began them, so I should be the one to continue them!"

Of his main rivals, Yeltsin and Zyuganov, he said:

"Everything must be done to prevent them from getting elected. They treat Russia like small change: One wants the nomenklatura to live off the people and the other wants to continue living off the people himself."

Of the Communist Party of the Russian Federation [CPRF], he said:

"It seemed to me that in 1993 the party was moving along the path of reform. But the election process finds the CPRF still awaiting renewal. If its program is to be implemented, it would be a question of 'going back to the beginning and then....' Russia does not need this."

Of the war in Chechnya, he said:

"It is an absurd, terrible, unnecessary war. I do have experience of ending wars (the first point in my program): Afghanistan."

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Gorbachev was asked about his reaction to the news broadcast on television: "Buryatia refuses to receive Gorbachev." His response was to read out the exact text of the telegram signed by President L. Potapov of the Republic of Buryatia: "We are not in a position to organize the meetings you have planned...."

At home, I switched on Channel One and laughed out loud: "Vremya" showed Gorbachev polemicizing with someone — according to the commentary, he was in Irkutsk and planning to sue (Buryatia? The president of Buryatia?) over the republic's refusal to receive him. Whatever else may have happened in Irkutsk, that certainly did not. So this "canard" did not fly up from the shores of Lake Baykal.

Russia: Economic Leaders Urge 'Political Compromise'

MM2904134196 Moscow IZVESTIYA in Russian 27 Apr 96 p 2

[Letter to the editor: "We Must Break The Deadlock!"]

[FBIS Translated Text] 1. Society is split. The split is widening disastrously with each passing day. And the crack dividing us into Reds and Whites, them and us, runs through the heart of Russia.

The fever of the election campaign is prompting opposing politicians to try to sever the knot of problems at a single stroke. The forces backing the politicians are waiting for their time to come. They will emerge the day after the election, whichever side wins. This will occur with absolute inevitability despite what certain individuals want. Because after the June vote a mandate will have been obtained, effectively on behalf of a minority, whether it be Red or White, to exercise playing rules that are categorically repudiated by the vast bulk of society.

So the victor will be not anyone's truth, but the spirit of violence and strife. The split between the political forces is so great that one of them can establish itself only via a path that leads to civil war and the breakup of Russia.

At this crucial time, we Russian business people urge intellectuals, the military, representatives of the executive and legislative authorities, law enforcement bodies, and the media, and all those who have real power in their hands today and on whom the fate of Russia depends, to join forces in seeking a political compromise that can prevent the bitter conflicts that threaten Russia's basic interests and its very statehood.

2. Russian politicians must be induced to make very significant mutual concessions, to come to strategic political accords and consolidate them in law. There is simply no other way. Obviously each political force has its own truth. But no political force has the right to impose its truth on society by force.

3. We share the patriotic forces' concern over the fate of Russia as an historically established union of peoples in which ethnic Russians played and still play a marshaling role.

But we must draw a clear line between constructive policy and political speculation on nationalist themes. In Russia more than half of all children are from mixed marriages. We are all Russians, and any attempt to divide us into thoroughbreds and foreigners contradicts the very essence of the collection of peoples comprising the state of Russia.

4. The activities of individual politicians and political parties has meant that for many of our fellow citizens the word "democracy" has become virtually synonymous with an antistate stance. The contempt for Russia's historical path and what it holds sacred and the scorn for the Soviet period in Russian history must be rejected and stopped.

At the same time, we must not allow the great ideas of freedom, civilization, justice, law, and truth — these are the chief things that come with real people's power — to be discredited. These are what are upheld by millions of the millions of Russians voting for democrats and democracy despite the cost of the reforms. This vote indicates that Russia is bent on clearing the barrier of law, the barrier of freedom of information and civil freedom. This desire must be respected and incorporated in the political balance that is being created in order to protect Russia's state interests.

5. There is a serious political threat inherent in the fact that if they win the presidential election the Communists could actually seek ideological revenge. This gives grounds for regarding them once again as a force that wishes to make final and vitally important decisions as it were on behalf of the whole of society.

We understand the Communists and acknowledge their political role as mouthpiece for the interests of the social groups that have suffered in the course of difficult and often erroneous reforms. But the communists must not insist on society's abandonment of the painful achievements of the past decade. In condemning the historic results of this decade and accusing all other forces of taking disastrous steps, the Communists must at least share with them the responsibility for the collapse of the USSR. It is with the CPSU, of which the CPRF [Communist Party of the Russian Federation] has declared itself the heir, that the responsibility for the stagnation damage rests. It was under the

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leadership of the CPSU that the country slept through two technological revolutions: modern industrial in the sixties, and information in the seventies. It was the top people in the CPSU who were to blame for the collapse of the USSR. It was this collapse that necessitated the conduct of reforms in conditions of deficient state management, and it was the "emergency" nature of these reforms that led to such painful social costs.

By using nostalgia and a hankering after the way of life of the seventies and eighties, now lost and gone forever, in their fight for power, the Communists are effectively doing the same as their opponents! The latter were exploiting the impossible dream of the impending acquisition of Western prosperity. The former are exploiting the dream of an instant return to the living standards of the stagnation era. Do the politicians consider what will happen after the people have suffered another inevitable disappointment?

6. But by the latter half of the nineties the reform process had nonetheless started to produce definite, albeit not very tangible results. While promising to recover what has been lost it is actually easy to deprive the country of these hard-won acquisitions and merely increase the losses and destabilize society even further. Anyone who ignores this fact bears the entire weight of political and historical responsibility for another state and social catastrophe.

7. The recent actions of various political forces confirm our worst fears. State interests have been squeezed out by narrow political aims. The threat of a state crisis due to the ill-conceived denunciation of the Belovezhskaya accords: Here we see one worrying feature of the election confrontation, in which the State Duma clearly damaged the state system. The implementation of these initiatives would have turned Russia into a mini-USSR, which might soon have been broken up in the way that the big Union was broken up in 1991.

In talking about this we have no wish to demonize one of the sides. The state system is also being damaged by the current authorities' actions. The ineffectual policy in Chechnya, which has jeopardized Russia's integrity, is another episode in the depreciation of statehood for the benefit of politics.

The tragedy of the current situation is that the political struggle is pushing each of the main forces into actions which inevitably damage Russia's already fragile state statehood.

8. We realize that there will be groups in the country wishing to increase political tensions. There will also be those who are deliberately and obstinately opposed to a strong state. We do not want to indulge in tiresome and fruitless edification! Those who are encroaching on Russian statehood by opting for ideological revanchism and social confrontation must realize that Russian business people have the necessary resources and will to influence politicians who are too unprincipled and those who are too uncompromising.

Russia must enter the 21st century as a flourishing, great power. That is our duty to our forebears and to our descendants.

[signed] B.A. Berezovskiy, president of the LogoVAZ group; V.A. Gorodilov, chairman of the board of the Siberian Oil Company; V.A. Gusinskiy, chairman of the board of directors of the MOST group; A.N. Dundukov, president of the design bureau named for Yakovlev; N.B. Mikhaylov, president of Vympel MAK [expansion unknown]; S.V. Muravlenko, president of the Yukos oil company; L.V. Nevzlin, president of the Rosprom company; A.V. Nikolayev, president and general director of the Avtovaz joint-stock company; D.L. Orlov, chairman of the board of the Vozrozhdeniye design bureau; V.O. Potanin, president of the Gneksim Bank joint-stock bank; A.P. Smolenskiy, president of the Stolichnyy Bank Sberezheniy joint-stock bank; M.M. Fridman, chairman of the board of directors of the Alfa-gruppa consortium; M.B. Khodorkovskiy, chairman of the board of directors of the Menatep bank.

Russia: Election Campaigning in Press Starts 29 Apr

LD2904163296 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 29 Apr 96

[FBIS Translated Text] Election campaigning in the press has started as of today. The publication of election materials will not be done free of charge any more, and this is the main new feature of the campaign. All the expenses on electioneering in the press will be paid from the election funds of presidential candidates. I will recall that their ceiling has been set at 14.5 billion rubles. Election campaigning on state television and radio will start on 14 May. I will mention that a minute of prime time costs nearly 140 million rubles on Russian Public TV.

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CIS: PRC, Four CIS Nations Sign Treaty on Military Trust

LD2604142596 Moscow ITAR-TASS in English 1348 GMT 26 Apr 96

["Five Countries Sign Treaty on Ex-Sino-Soviet Border"—ITAR-TASS headline]

[FBIS Transcribed Text] SHANGHAI, April 26 (Itar-Tass) — The leaders of China, Russia, Kazakhstan, Kirghizia and Tajikistan signed on Friday an agreement on enhancing military trust along the ex-Sino-Soviet border.

This "full-scale politico-military document" is to be circulated by the U.N.

The Russian and Chinese leaders have reaffirmed commitment to the 1991 and 1994 treaties on eastern and western borders and expressed determination to finish the demarcation of the eastern border stretch as scheduled and immediately take the demarcation process to the western border.

To safeguard interests of the border-area population, the demarcation programme will be paralleled by the drafting of an agreement on joint economic uses of areas which are ceded by the parties to each other under the demarcation accords.

The parties have also expressed their intention to "flexibly handle specific questions related to the demarcation of a number of (border) stretches."

The Russian and Chinese leaders agreed to intensify the talks on an accord on bilateral cutbacks in the military force in the border areas.

Apart from the joint declaration, accords on cooperation in civil uses of nuclear energy, intellectual property protection, space and other fields have been signed during Boris Yeltsin's visit.

The parties agreed that a slump of the recent years in bilateral trade had been reversed, with trade tending to be picking up and holding out a promise make a 20 billion dollar worth "in the years to come."

The parties spoke in favour of building up contacts between the armed, border troops and law and order institutions, and for further military-technical cooperation "on the mutually beneficial basis with regard for international obligations of the two countries and not to the detriment to security interests of third states."

The final communique cites "measures for further improvement of the situation in the field of two-way trips of citizens, labour migration, the fighting of law violations in this sphere."

The parties have reaffirmed that Russia and China are both determined to retain their socio-political stability, and territorial integrity and unity of the state.

The communique says Yeltsin has invited Jiang Zemin to come to Russia on an official visit.

CIS: Russian-Belarusian Parliamentary Agreement Signed

LD2904151796 Moscow INTERFAX in English 1258 GMT 29 Apr 96

[FBIS Transcribed Text] ST. PETERSBURG, April 29 (Interfax) — Following are the main points of an agreement signed in St. Petersburg by Gennadiy Seleznev, chairman of the Russian State Duma, Yegor Stroyev, chairman of the Russian Federation Council, and Semen Sharetskiy, chairman of the Belarusian Supreme Soviet.

The Parliamentary Assembly of the Community of Russia and Belarus will be legitimate if it is attended by at least two-thirds of MPs from either side. The assembly decisions will be carried by a qualified majority of at least three-quarters of those in attendance.

The assembly will pass model legislative acts and send associated proposals on development of the Community's legal framework to the appropriate bodies of the Community member nations and to the Community's High Council.

The assembly will work for unification of the legislations in the Community member nations.

It will coordinate the activities of the member nations' legislative authorities and encourage permanent cultural, scientific and other links.

The assembly will conclude agreements on cooperation with parliaments of foreign countries and international parliamentary organizations.

The Parliamentary Assembly will hold its sessions at least four times a year alternately in Moscow and Minsk.

The agreement will be open to the admission of parliaments of countries which join the Community of Russia and Belarus.

The agreement will come into force following approval by the Federal Assembly of Russia and the Supreme Soviet of Belarus.

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CIS: ITAR-TASS Carries Press Review for 30 Apr

LD2004052996 Moscow ITAR-TASS in English 0458 GMT 30 Apr 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW April 30 (Itar-Tass) — Follows a review of Tuesday's Moscow-based Russian newspapers dated April 30. Report on the assassination of Acting President Zelimkhan Yandarbiyev of Ichkeria and Russia's presidential elections are the principal topics.

IZVESTIYA on Yandarbiyev assassination.

The newspaper points out that the fact of assassination "is being confirmed by informed sources from among the Chechen diaspora in Moscow. People, who knew Yandarbiyev closely, describe him as a fanatical advocate of Chechnya's independence and as the originator of the idea."

"Yandarbiyev was reckoned an inflexible and not highly experienced politician, who was not quite up to Dudayev in these qualities."

Izvestiya sources do not rule out a version that there was treason among the Chechen leadership, treason which Dudayev and Yandarbiyev could fall victim to.

KOMSOMOLSKAYA PRAVDA on Yandarbiyev assassination report.

The newspaper believes that "as long as doubts concerning the death of Dzhokhar Dudayev himself have not been dispelled, it is difficult to speak with confidence about the death of his successor, Zelimkhan Yandarbiyev."

In the newspaper's view, "if both deaths are real facts, then the list of losses in the upper echelons of Ichkeria is certain to be continued".

At the same time the newspaper points out that "as a rule, as a result of fight after the death of the leader in a pack of wolves, the lead is captured usually by the strongest and cruellest wolf".

KRASNAYA ZVEZDA on the Chechen peace process.

The newspaper carries an interview with President Akhsarbek Galazov of the Republic of North Ossetia-Alania. Touching upon the Chechen peace process, Galazov pointed out that "this is not only Russia's problem. This is a problem connected with the break-up of the Soviet Union".

Galazov believes that "Chechnya, despite the entire current tragedy, is only one element in the disintegration of the Soviet Union. Because prior to Chechnya, there were Nagorno-Karabakh, South Ossetia, and Abkhazia. A large-scale war was also fought there. And there was the so-called Ossetian-Ingush conflict prior to the war in Chechnya".

The North Ossetian President is convinced that 'the problems of the Caucasus cannot be settled locally, because both Nagorno-Karabakh, South Ossetia, Abkhazia, and Chechnya — all are connected with the need to work out a general mechanism for getting out of the protracted political, economic, social and cultural crisis".

ROSSIYSKIYE VESTI on lack of probability that the Chechnya conflict would be internationalised.

The newspaper carries an interview given by Russian President Boris Yeltsin to the Paris-based Politique Internationale magazine, which will be published there three days after appearing in Le Figaro and Rossiyskiye Vesti.

In answer to a question whether there is danger that a continuation of military operations in Chechnya would lead on an internationalisation of the conflict, Yeltsin emphasised that "there has never been such danger".

The Russian President said "no specific conditions, such as those which led to the conflict in Chechnya, ever existed in any of the republics adjacent to Chechnya. Neither were there any social groups that were prepared for the sake of criminal interests to go to this kind of conflicts. And, finally, both the peoples and governments of those republics did everything to prevent themselves from being drawn into the sanguinary ventures of the Dudayev regime."

KOMSOMOLSKAYA PRAVDA on the absence of a "third force" in the presidential election campaign.

Under the headline "There are eleven presidential candidates but there is still no choice", the newspaper carries an article which points out the absence of any "third force" in the election campaign.

"There is no hope that anyone third would really intervene in the rivalry of two giants. In recent weeks nearly the entire Russian press came to side with Yeltsin.

"Expert estimate is that the President accounts for approximately 75 per cent of election-campaign information published every day and for about 90 per cent televised footages, with readers and televiewers being able least of all to learn about those who may divert if only some votes from the Communist Party leader — Grigoriy Yavlinskiy, Mikhail Gorbachev, Svyatoslav Fedorov and, partially, Aleksandr Lebed."

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The newspaper arrives at a conclusion that the December 1993 situation, when the Russian electorate was "overfed" with Yegor Gaydar-led Russia's Choice movement, is being repeated this time as well.

ARGUMENTY I FAKTY runs the presidential candidates' 1995 declarations of income.

Ex-president Mikhail Gorbachev in 1995 received a pension of 569,000 roubles and earned 11,283,000 roubles at the International Foundation for Socio-Economic and Political Studies.

Grigoriy Yavlinskiy earned 13,000 U.S. dollars and 13,000 Deutsche Marks in 1995 as fees from the publication of his books. As a member of the State Duma, he received 27 million roubles in the same year and got 3,662,000 roubles at the Centre for Economic and Political Studies.

Aleksandr Lebed received 34,703,000 roubles in 1995 while ophthalmologist Svyatoslav Fedorov earned 277 million roubles over the same year.

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Russia: Yeltsin on Upcoming Elections, Chechnya, NATO

BR2904144696 Paris LE FIGARO in French 29 Mar 96 p 2

["Excerpts" of interview with Russian President Boris Yeltsin by unidentified POLITIQUE INTERNATIONALE correspondents; place and date not given: "An Interview With Boris Yeltsin"]

[FBIS Translated Text] This interview with Boris Yeltsin was conducted by the staff of the POLITIQUE INTERNATIONALE magazine led by our friend Patrick Weisman. Here we publish excerpts. The full text will be published by the review in a few days' time.

[POLITIQUE INTERNATIONALE] You are running in the presidential election which is scheduled for 16 June. Why did you choose to stand again?

[Yeltsin] As a political leader I want to see a certain number of economic and social reforms through to a successful conclusion. I committed myself to doing this when I was elected in 1991. Moreover, as a man, as a democrat, I believe that we must use all the means available to us to stop the Communists returning to power in Russia. They have not changed neither their organization nor their ideology. They have nothing in common with the social democrats of the Western world. What is more, the ideas they are putting forward are a serious threat both to Russia and to the international community...

[POLITIQUE INTERNATIONALE] You have often warned your fellow countrymen and the West of this "red-brown menace." How do you really rate this menace on the eve of the elections?

[Yeltsin] I am afraid that the time for calculations and forecasts is now upon us. Everyone realized this when the state Duma — dominated by the Communists — voted for the reestablishment of the Soviet Union. This decision is illustrative of a political shortsightedness and an extremely dangerous ideological adventurism. It seems that the Bolsheviks have not drawn any conclusions from history. Worse, they encourage the people, too, to develop amnesia. It is not hard to imagine what these men could do if ever they were to return to power.

Remember how everyone was concerned in the mid-1970's, when "Eurocommunism" was at its peak and there was the "Historic Compromise" in Italy. The whole of Europe was wondering whether, if the Communist parties arrived in power through democratic channels, they would actually apply to the letter the theses they had developed in their decades of battles. That is precisely the question that the Russian voter is asking himself today. If, by some misfortune, the Communists did manage to return to power then the worst scenarios would again be possible: violation of human rights and economic liberties, the appearance of a new "iron curtain," and the ideological and spiritual impoverishment of the nation. Such a prospect is not acceptable.

[POLITIQUE INTERNATIONALE] When the Russian Federation was let into the Council of Europe it angered a lot of people on this side of the continent, mostly because of the human rights situation in your country and the war in Chechnya. Do you think that these criticisms are well-founded?

[Yeltsin] If the Council of Europe had used the war in Chechnya as a reason for refusing our membership it would have been applying double standards. Chechnya is purely a question of domestic law and order. Why not, in that case, talk about the Northern Ireland question, the Basque problem in Spain, or the attitude of the French Government regarding the Kanaks in New Caledonia? Just like Chechnya, all these issues have their roots in the past. It is not the fault of the current leaders who just inherited the problems and now have to manage them as best they can. Whatever escalation you could accuse them of, I would be the last person to cast a stone.

Controversy or not, the fact is that Russia is represented on the Council of Europe. That is the most important thing as far as I am concerned. By making this decision, the members of the Council wanted to show their solidarity with Russia which, for more than five years has indisputably been on the path toward democracy and increased protection of freedoms and individual rights. Despite all the obstacles we have encountered on the way we have never once deviated. This is a sign that Russia is on the right track and will finally escape the ruts of its totalitarian past. From that point of view, membership of the Strasbourg Assembly can only help keep us on course.

[POLITIQUE INTERNATIONALE] If the military operations in Chechnya are not rapidly concluded are you not afraid that the conflict could spread beyond the borders, as Dzhokhar Dudayev told the Western press?

[Yeltsin] There is absolutely no risk of the conflict spreading for the very good reason that none of the republics bordering on Chechnya has the same characteristics. These clan-like support networks, intermeshed mafia structures, or underground economic forces prepared to declare war for criminal interests simply do not exist. The peoples and the governments of the neighboring republics have done their utmost to ensure they are not dragged into a bloody adventure such as the one

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led by Dudayev. As the settlement plan for Chechnya, which I published on 31 March, is applied there will be no chance of the conflict spreading abroad.

[POLITIQUE INTERNATIONALE] On numerous occasions you have violently condemned the plan to enlarge NATO to take in the states of Central and Eastern Europe. What is your feeling on this subject now? Does not the incompatibility of the Russian and Western positions indicate a return to the former situation of confrontation between the two blocs?

[Yeltsin] As far as I can see the two positions are not equivalent. More than just simple tension over the patterns that emerged from the Cold War, maintaining NATO and actually enlarging it runs counter to the development of a security system suited to the new requirements of Europe. Russia has a radically different approach on this subject. Do I really need to remind you who was the target of NATO's offensive and defensive mechanism set up in the 1950's? Do yesterday's threats still apply? Surely the new nature of conflicts and tensions requires a complete revision of the security mechanisms on our continent?

[POLITIQUE INTERNATIONALE] What, in your opinion, is the vocation of the CIS? Will it have to become a free trade zone, a military alliance, a federation of states?

[Yeltsin] Already it could be said that the CIS has completed its primary mission. In the critical situation of 1991 it managed to avoid the complete disintegration of the post-Soviet space, maintaining various ties between the states that had emerged out of the former Union. Thanks to the CIS the separatist and nationalist urgings were channeled. Look at the integration process currently underway in Belarus, Kazakhstan, Kyrgyzstan, and Russia. This would have been impossible without the recent experience of the CIS. To my mind, such a rapprochement should serve as a model for strengthening ties between the republics of the former USSR.

[POLITIQUE INTERNATIONALE] Relations between Moscow and Kiev remain problematic. Normal relations are foundering in particular on the fate of the Black Sea fleet and the bases in Crimea. In your opinion what should be the principles governing your relations with Ukraine?

[Yeltsin] I agree, relations between our two countries are not simple. First of all let me say that they could not really be otherwise. The economic infrastructure and the military-industrial facilities were too closely interrelated during the Soviet era. When the two countries gained their independence it was bound to cause problems and the settlement of these problems will require a long time and a lot of patience — as you are well aware. Having said that, there is no need to dramatize the situation. In recent years our respective governments have managed to remain in contact on the most sensitive subjects and we have even managed to intensify our talks in an number of areas. At the end of the day, ties between Moscow and Kiev are so strong that our two capitals have no choice but to find a modus vivendi. For my part I fully intend to continue working toward this.

[POLITIQUE INTERNATIONALE] The war in the former Yugoslavia demonstrated quite clearly the inability of the European security system to resolve the interethnic conflicts that arise in multinational countries. What conclusions have you drawn from the Yugoslav drama, both for Russia and the West?

[Yeltsin] I believe I already replied to this question when we were talking about the enlargement of NATO. Let me repeat: By its essentially reactive nature, the security system that dominates Europe is unlikely to provide effective responses to such crises. The reality of the situation at the end of this century requires us to lay greater stress on preventive security. Despite two world wars, Europe has not been able to draw its inspiration from the classic way in which the dispute over the Aland Islands (a Baltic archipelago — LE FIGARO editor's note) was resolved in 1920's. I believe that a highly-integrated community, like the EU, does have the resources for establishing a mechanism for preventing conflicts which would mean avoiding any repetition of the Yugoslav scenario.

[POLITIQUE INTERNATIONALE] Terrorism has become an everyday phenomenon in European life. In your eyes is there an unstoppable way of fighting this scourge?

[Yeltsin] This issue was discussed recently at the Sharm al- Shaykh summit. Terrorism is both a global challenge and a complex phenomenon that obeys extremely diverse causes. We must do our utmost to eradicate terrorism through close international cooperation. However, let us be under no illusions: Police measures are not enough! The solution must also come through dialogue, goodwill missions, the settlement of the various conflicts under way, and the reduction of conflict based on race and religion...

[POLITIQUE INTERNATIONALE] Can you tell us which are the most important historical and literary references for you? Who is your political role model?

[Yeltsin] If I may, in this period of electoral turmoil, I would like to take a step back and continue to look down on things — as General de Gaulle said: "The air is purer at the summit." That is why I will simply say

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that my political role model is Peter the First and that my favorite authors range from Chekhov to Saltykov-Chtchedrin [name as published].

Russia: Yeltsin Showed 'Tactlessness' in Beijing Speech

MM2904103496 Moscow KOMSOMOLSKAYA PRAVDA in Russian 27 Apr 96 pp 1,7

[Report by Andrey Kabannikov and Oleg Shevtsov: "There Are Bad Communists and There Are Chinese Communists. For President Yeltsin This Discovery Was One Result of His Visit to Beijing and Shanghai"]

[FBIS Translated Text] Beijing, Shanghai — "If the Communists win there will be civil war in Russia." This phrase, which has become a commonplace in Yeltsin's mouth, stunned the public this time. A heavy silence hung over the shocked audience of 100 representatives of the Beijing public including Deng Xiaoping's younger daughter Xiao Rong. The offending phrase was not included in the text of the speech. Yeltsin added it on the spur of the moment because even in Beijing he could not keep his mind off the approaching elections for a moment. Hence the clear desire to present the visit as a complete diplomatic triumph.

"Chairman Jiang Jemin firmly agreed with our view that NATO's expansion is impermissible," our president stated. In fact the Chinese were far more cautious and mild in their recognition of the "new manifestations of bloc policy." "China agreed to take part in the talks on the nuclear test ban," Yeltsin told journalists with satisfaction. This entirely corresponded to the reality, especially given that the PRC has been conducting such talks for over two years now. "I cannot name a single question on which our opinions differed," Yeltsin told his colleague Jiang Jemin. Everyone nodded politely and understandingly — which is what presidential contender Yeltsin needed....

Relations between Moscow and Beijing are better than at any time since the death of Stalin and promise "strategic cooperation in the 21st century," as the joint declaration states. So as not to frighten the rest of the world with such a daunting phrase the two countries' foreign ministers — Primakov and Qian Qichen — even explained: This is not a question of creating an alliance. According to the specialists, the 15 or so agreements signed in Beijing will make it possible to quadruple the volume of bilateral trade to $20 billion in the near future. Another principled document was added to them yesterday in Shanghai when five presidents — those of China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan — signed the agreement on strengthening military confidence in the border region. Things will henceforth be calmer in the 100 km-wide border zone and there will be no major maneuvers, loud gunfire, stunts involving laser weapons, or other actions to alarm the neighbors here. Admittedly, Russia with its 140,000-strong contingent here is responsible for around 80 percent of this, whereas the Chinese troops are concentrated deep within the country far beyond the 100-km zone.

The rest of the Shanghai segment of Yeltsin's trip was full of pleasant surprises and useful meetings. The Chinese showed Boris Nikolayevich and the ministers and businessmen accompanying him how to organize a free economic zone really efficiently and attract billions in foreign investments for that purpose. The work of the whole of Shanghai if not China itself is geared to Pudong, the new region where the skyscrapers of new banks, companies, and hotels are rapidly going up. The Russian president was housed in one of these skyscrapers — the 40-story Jinjiang hotel, with a view over the whole of Shanghai and its 14 million people.

When Boris Yeltsin was taken for a tour of the Shanghai-Bell company's shops, where they produce high-technology automatic telephone exchanges under license, Boris Nikolayevich suddenly stopped by an automatic machine which produces microcircuits. And he fervently began explaining to the enterprise directors accompanying him that they should be producing not one circuit at a time but five. After making this rationalization proposal the Russian president left the Chinese touched by his concern and departed for his residence. It was clear to everyone that it will not be easy to palm off any expensive "Shanghai leopard" fur on us as it was on Ellochka the Cannibal [primitive character in Ilf and Petrov story]. After all, we have more than a passing acquaintance with modern technology.

As he was leaving Shanghai the Russian president tried to smooth over his recent display of tactlessness which had probably wounded his host's Marxist feeling. He explained: "Chinese Communists are pragmatists, Zyuganov's are fanatics."

Russia: ITAR-TASS Reports Signing of Shanghai Agreement

LD2604150296 Moscow ITAR-TASS in English 1436 GMT 26 Apr 96

[FBIS Transcribed Text] SHANGHAI, April 26 (Itar-Tass) — Chinese chairman Jiang Zemin said at the signing ceremony that the document was an embodiment of the common wish shared by its participants "to be good neighbours, friends and partners."

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The aim of the agreement is to strengthen mutual confidence in the military field and in the border area so that "to ensure calm and stability there, promote the development of long-term relations of friendship and cooperation between China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan."

Kazakh President Nursultan Nazarbayev said that Kazakhstan was prepared to make efforts jointly with other countries — parties to the agreement, to ensure peace and stability in the Asian-Pacific region.

For his part, Kyrgyz President Askar Akayev said that the signed document was a vivid example of the efficiency of joint efforts in resolving problems with good results.

Tajik President Emomali Rakhmanov declared that "the border between the five countries would be an area of mutual cooperation, good-neighborly relations and partnership."

Chinese officials who took part in the signing ceremony told Itar-Tass that "the Shanghai agreement in its significance goes far beyond the boundaries of one region only." For the first time in the world history five states having a common border agreed not only to strengthen confidence between each other, but made concrete commitments in the military field. In particular, the sides-parties to the agreement pledged not to conduct military exercises targeted against each other and take measures to avert dangerous military activities and develop contacts between military units and border guard troops.

Russia: Maritime Kray Governor: Visit to China 'Morally Difficult'

LD3004111896 Moscow INTERFAX in English 1001 GMT 30 Apr 96

[FBIS Transcribed Text] VLADIVOSTOK, April 30 (Interfax-Eurasia) — Speaking over local radio on Monday, Maritime Territory Governor Yevgeniy Nazdratenko described his visit to China as a member of a Russian delegation as "morally difficult."

During negotiations there he had to uphold his views in front of the Chinese leadership and the Russian Foreign Ministry and president, but he had no other choice, he said. Maritime Territory lost not a single square meter of its soil in Shanghai, where the leaders of five countries signed a joint declaration on confidence-building measures on their borders, Nazdratenko said.

"We shall continue to live, work and defend our territory under negotiation," he declared. Nazdratenko said he is deeply grateful to the Ussuri Cossacks, who rose to protect Russian national interests and opposed the efforts to demarcate Russia's border with China in its eastern sector on the basis of the Sino-Soviet agreement signed in 1991. The agreement provides for handing part of Maritime Territory over to China.

Russia: Military Cooperation With PRC Viewed

MM3004092896 Moscow KRASNAYA ZVEZDA in Russian 30 Apr 96 p 3

[Article by Vladimir Kuzar: "Russia and China Make Choice. Results of Russian Federation President's Official Visit to the PRC"]

[FBIS Translated Text] Beijing-Shanghai-Moscow — When the leaders of five states — Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and China — signed the agreement on military confidence-building measures in the border region and those present in the Shanghai Exhibition Center erupted into tumultuous applause, one of my colleagues said that he sees nothing special in the agreement since a distance of 100 km or even 200 km is a mere bagatelle for modern technology. The person concerned was referring to the military transparency of the border for 100 km on each side as established by the Agreement of the Five.

From the technical viewpoint that may be the case. Even without notification the opposing side tries to record any troop movements along its border, especially if military exercises are under way, warships are making port calls, or the Air Force is flying sorties. But the Agreement of the Five is not confined just to military transparency. In it the sides made quite specific military-political pledges. And primarily renounced the use of force or the threat of force against one another.

The main significance of the agreement is that it is the first document of its kind in the Asia-Pacific region. In a region with a wealth of areas of conflict and a dearth of means and forces capable of peacefully resolving the friction that may arise between countries. There is no collective security system here. But the Agreement of the Five may be a point of departure in the creation of such a system. At any rate, behind the scenes at the Shanghai meeting, people were saying that such treaties may appear over the next few years between Russia and Mongolia and China and India.

The Russian initiative put forward by Russian Federation President Boris Yeltsin during his visit to the PRC regarding the creation of a kind of regional "security community" in conjunction with other states also met with a generally positive response in the region. It should be pointed out that the international aspect of the Sino-Russian summit talks met with a broad response. Particularly what Boris Yeltsin said to the effect

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that there is no other pairing in the world like Russia and China with their tremendous military-political and economic potential, and people need to take that into consideration. Representatives of various foreign news agencies and newspapers accredited to the talks immediately became agitated, wondering whether this was a reference to a Sino-Russian alliance and against whom it would be aimed. No, neither Russia nor China advocates any kind of alliance in the old sense of the word. They will not be dividing the world into "them" and "us."

However, in conditions where the world is moving away from bipolarity to multipolarity, where certain destructive tendencies are still at work — recurrences of pressure, the policy of force, and new manifestations of bloc policy — Moscow and Beijing are making the strategic choice of developing their bilateral relations. Such poles as Russia and China must be visible and their partnership must help to shape a world that takes account of the interests of the security and development of all countries and peoples.

NATO, for instance, is hatching plans for the bloc's eastward expansion. Russia believes that the implementation of these plans will split Europe and it opposes them. In this it is backed by China, which also believes that the expansion of military-political blocs is an anachronism dating back to the Cold War period and does not accord with present realities.

Nonetheless the main aim of Sino-Russian cooperation is the accelerated development of their countries. The two heads of state agreed in this connection to make contacts at all levels a regular event. They themselves intend to meet at least once a year and discuss urgent problems. What is more, a commission has been set up at the level of the two countries' premiers to monitor the activity of the existing intergovernmental commissions. Fifteen agreements were signed encompassing various economic spheres, primarily power generation, space, and ferrous and nonferrous metallurgy. As for commodity turnover, the sides intend to raise it to $20 billion.

There is potential for broadening economic cooperation. And Boris Yeltsin was able to see this once again during his visit to Shanghai. This city is the most important industrial center in the PRC. Goods marked "Made in Shanghai" are delivered to 184 countries of the world. In 1995 the city's exports rose by 28 percent to total $11.6 billion. In the economic area of Pudong alone, whose development is based on a special plan, 3,500 enterprises involving foreigners have been registered. Foreign investors have invested $4 billion in Pudong.

The Russian Federation president's impressions of his acquaintance with Shanghai's economic achievements were clearly manifest during his meeting with Russian and Chinese businessmen. I recall that, during his first visit to the PRC four years ago, Boris Yeltsin made an interesting revelation, saying that he only believed in Chinese economic achievements once he had seen them with his own eyes. This time the structural foundations of this success came as a similar revelation to him. He may have deliberately underlined them when he persistently asked Shanghai's mayor about his relations with the center in the presence of Russian governors and businessmen.

It turned out that Shanghai's economic achievements are planned and carried out under Beijing's direct supervision. And all the Shanghai leadership's autonomy boils down to correctly implementing the center's decisions and promptly paying their taxes. Beijing certainly does not meddle in Shanghai's specific affairs but it does for instance determine investment policy. The state owns the land and the minerals therein, which have been handed over to the local authorities for their use.

I do not know what conclusions were drawn by the governors and businessmen present. Since most of them believe that all their ills stem from the center and that were they to be given complete autonomy or, even better, ownership of the land and its natural wealth, they would get the country out of trouble. As for the Russian head of state, he said that he would try to get the State Duma to urgently adopt a law on the tax system.

Now let me say a word about another aspect of Sino-Russian relations — military and military-technical cooperation. During their talks the sides voiced their satisfaction with the course of this cooperation. What is more, they underlined the need to considerably expand contacts in this sphere. It is well known that there are certain misgivings about this. In particular, people do wonder whether we have gotten too carried away with rearming China. Will this not pose a danger to us in the future and upset the balance of forces in the region?

Dispelling these fears, Boris Kuzyk, the Russian Federation president's aide for questions of military-technical cooperation, said during a conversation with me that Russian arms shipments to China do not threaten anyone. When implementing military-technical cooperation with China, Russia adheres to certain principles, namely the principle of causing no harm to its own security, strict observance of its international commitments, and nonviolation of the prevailing balance of forces. When deciding to sell a particular weapon to any country, Boris Kuzyk said, we really weigh up the political balance of forces in the region, the economic and military-technical situation, and the rearmament of countries in the region. This applies fully to China.

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....During a conversation with the Russian delegation PRC President Jiang Zemin recalled the saying: "China wants to be Russia's good friend, good partner, and good neighbor forever. That is our choice." Russia is making the same choice.

Russia: 'Intrigue' Seen Behind Taiwan Interest in Russian Weapons

MM3004090796 Moscow IZVESTIYA in Russian 30 Apr 96 p 3

[Report by Aleksandr Platkovskiy: "Taiwan Believes in the Strength of Russian Weapons"]

[FBIS Translated Text] Beijing — The newspaper CHINA TIMES EXPRESS has reported that Taiwanese generals are asking the price of Russian S300 antiaircraft missile systems.

The newspaper maintains that the "wonder weapons" could be bought through intermediaries in Singapore. At the same time it gives the value of the first deal as approximately $10 million.

Defense Minister Chiang Chung-ling has admitted that antimissile [as published] defense remains the Taiwanese Army's weak spot. Talks are now being held with the Americans and the French on purchases of modern systems. Russian antimissile [as published] systems are renowned in Taiwan for their efficiency and inexpensiveness, but there are no plans to buy them. The defense minister assured parliamentarians of this.

Local military observers believe that the Taiwanese are now trying to fan a competitive struggle between their traditional partners. To this end they are putting about rumors of secret contacts with Russian weapons manufacturers. The possibility of a political intrigue also cannot be ruled out, whereby Taiwan wants to use this to sow seeds of mistrust between Beijing and Moscow.

Russia: Japan Defense Chief's Visit 'of Tremendous Significance'

MM3004085796 Moscow KRASNAYA ZVEZDA in Russian 30 Apr 96 p 1

[Report by Aleksandr Golts: "First Visit Was Successful"]

[FBIS Translated Text] Hideo Usui, director general of the Japan Defense Agency, paid an official visit to Moscow 27 through 29 April. He was received by Army General Pavel Grachev, Russian Federation defense minister, 29 April.

Pavel Grachev stressed during a conversation with his Japanese guest that the first visit in the history of Russo-Japanese relations by the director general of the Japan Defense Agency to Moscow is of tremendous significance. It will certainly help to strengthen trust and mutual understanding between our armed forces and open up prospects for contacts between them.

Hideo Useo for his part noted that he is performing a historic task. He stressed that the visit became possible as a result of the end of the Cold War and the democratic and economic reforms in Russia. He considers it particularly valuable that the heads of the defense departments can now conduct an extremely frank exchange of views on defense issues. The sides agreed to coordinate their positions in order to realize the intentions enshrined in the meeting's protocol. In particular, it makes provision for mutual notification of large-scale exercises, exchanges of information on the Russian Federation Armed Forces and the Japanese Self-Defense Forces and on the fundamental principles of defense policy, and exchanges of views on problems of chemical weapons destruction and protection against biological weapons.

What is more, the intention is to continue the full-scale dialogue between the leadership of the two countries' defense departments. The Russian defense minister's visit to Japan will form part of this dialogue. The intention is to organize an exchange of students at military educational establishments and continue the contacts between institutes tackling the problems of defense. Last, the sides intend to organize an exchange of subunits of the two countries' armed forces and an exchange of visits by ships.

The day before the director general of the Japan Defense Agency visited the Taman Motorized Rifle Division and the Kubinka Air Base where he studied Russian troops' combat training and their working and domestic lives.

Russia: Grachev, Ushui Optimistic About Future Cooperation

MM3004080696 Moscow KRASNAYA ZVEZDA in Russian 30 Apr 96 p 1

[Report by Aleksandr Golts: "First Visit Is Successful"]

[FBIS Translated Text] Hideo Ushui, chief of the Japan Defense Agency, was on an official visit in Moscow 27-29 April. On 29 April he was received by Army General Pavel Grachev, Russian Federation minister of defense.

This first visit by a Japan Defense Agency chief to Moscow is of very great significance in the history of Russian-Japanese relations, Pavel Grachev stressed in his conversation with the Japanese guest. It will certainly serve to strengthen trust and mutual understanding between our armed forces, and open up prospects of contacts between them.

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For his part, Hideo Ushui noted that he is performing an historic task. He emphasized that the visit was made possible as a result of the end of the cold war, and the democratic and economic reforms in Russia. He deems it particularly valuable that the heads of the defense departments can now conduct a very frank exchange of opinions on defense questions. The sides agreed to coordinate their positions in order to be able to implement the intentions recorded in the minutes of the meeting. What is envisaged in particular is mutual notification of large-scale exercises being conducted, exchanges of information about the Russian Federation Armed Forces and the Japanese Defense Forces and the basic principles of policy in the sphere of defense, and exchanges of opinion on problems concerning the destruction of chemical weapons and protection against biological weapons.

Apart from that, it is intended to continue full-scale dialogue between the leadership of the two countries' defense departments. The Russian defense minister's visit to Japan will form part of this dialogue. It is planned to establish exchanges between students at military training institutes, and contacts between institutes involved in defense problems is to be continued. Finally, the sides intend to organize exchanges of subunits of the two countries' armed forces, as well as exchanges of visits by ships.

The day before, the chief of the Japan Defense Agency visited the Taman Motorized Rifle Division and the Kubinka air base, where he familiarized himself with the combat training, life, and facilities of the Russian servicemen.

Russia: Grachev, Japanese Counterpart Sign Protocol on Talks

LD2904124096 Moscow ITAR-TASS World Service in Russian 1055 GMT 29 Apr 96

[By ITAR-TASS correspondents Andrey Varlamov and Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 29 Apr (ITAR-TASS) — Specific confidence building measures in the military field between Russia and Japan were agreed for the first time today at the level of defense ministries of the two countries. Russian Defense Minister Pavel Grachev and Japanese Defense Agency chief Hideo Usui, who is paying an official visit to Moscow for the first time in the history of [the two countries'] bilateral relations, said that "he sees the talks which were held as among the most important steps on the path to developing relations" between the armed forces of the two countries.

An ITAR-TASS correspondent was told at the information department of the Defense Ministry that a protocol was signed on the results of the talks, setting the intention of the Defense Ministry and the Defense Agency to develop contacts in the field of defense and security including at the level of senior heads of the military departments. Reference was also made at the talks to the possibility of the Russian defense minister visiting Japan.

Moscow and Tokyo agreed to inform one another about holding large scale training exercises, to exchange information about the armed forces, and fundamentals of policy in the field of defense. They also discussed in particular confidence building in relations between the Russian Defense Ministry and the Defense Agency of Japan.

The protocol also envisions mutual visits by detachments of the Russian armed forces and the defense forces of Japan. The Russian side earlier extended an invitation to ships of the Japanese navy to visit the port of Valdivostok during the celebration of the Russian fleet 300th anniversary.

Agreement was reached to strengthen contacts between institutes dealing with research in the field of defense. Representatives of the Russian Defense Ministry will take part in seminars organized by the Defense Agency of Japan.

Exchanges of students and postgraduates will take place between military institutions and there will be a similar prospect for institutes of physical education and the military orchestras of the two countries.

Russia: Lebanon Peace Exclusion Primakov's First 'Failure'

MM3004092196 Moscow IZVESTIYA in Russian 30 Apr 96 p 3

[Report by Maksim Yusin: "Near East: Washington No Longer Wants To Share Peacemaker's Laurels With Moscow. Yevgeniy Primakov's First Defeat"]

[FBIS Translated Text] At the end of last week Russian diplomacy suffered a palpable defeat in the Near East region. There was no place for Moscow on the International Committee To Monitor the Implementation of the Lebanese-Israeli Cease-Fire Accord. This was despite the fact that Yevgeniy Primakov went to the region on a special peacemaking mission on Boris Yeltsin's instructions, spending several days in Beirut, Damascus, and Jerusalem. The Foreign Ministry chief's efforts were in vain.

It is Yevgeniy Maksimovich's first really serious failure since his was appointed to the foreign minister's post. It is especially painful for Primakov because he is considered a Near East specialist. But neither his knowledge

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of the region nor his personal acquaintanceships with many local leaders helped on this occasion.

The blow to Russia's ambitions was doubly palpable: Russia has relinquished the top spot not just to the United States but also to France, which is also on the list of states acting as guarantors of a settlement. At first glance Paris in no way had stronger grounds than Moscow to claim the peacemaker's laurels. While the French's trump card is their special ties with Lebanon, the Kremlin can apparently rely totally on Syrian President Hafiz al-Asad, as an ancient client and partner of the Soviet Union. But apparently Al-Asad did not insist on Moscow's obligatory participation in the monitoring committee.

On Smolensk Square [Foreign Ministry] the main reason for Russia's removal is seen as U.S. "egotism." According to a high-ranking diplomat who wished to remain anonymous, "the Americans are attaching too much importance to the situation in the Near East in the light of the upcoming presidential election. During the latest talks on a Lebanese-Israeli settlement the United States clearly hogged the credit. Unfortunately the Israelis went the same way." As far as could be understood the Foreign Ministry has no grievances against either the French or the Arabs. According to the person IZVESTIYA spoke to, Moscow can take some consolation from the fact that it was at least included in the consultative committee, which has to "exercise political control over the restoration of peace."

Nevertheless the people on Smolensk Square were clearly vexed. A special statement in which, it must be assumed, injured pride will find an outlet was due to be prepared by the evening of 29 April.

Although, looking at the big picture, nothing surprising occurred. Russia long ago lost any real levers of influence over the Near East situation. Moscow's main problem is that, unlike the Americans and West Europeans, it is not in a position to materially back up its aspirations to a special role in the region, which is used to major financial influxes.

While in the past Washington agreed to mollify Moscow's pride by giving it the right to be cochairman of the Madrid Peace Conference, the situation has now changed. The United States no longer wants to continue the strange spectacle whereby Russia, which has done practically nothing to achieve accords between the Israelis and the Palestinians and Jordanians, has formally acted as virtually the coauthor of the peace agreements.

Washington's behavior was also probably affected by the "Primakov factor." Both the Americans and the Israelis are extremely wary of the new head of Russian diplomacy. First, in their eyes he badly tarnished his reputation by his contacts with Saddam Husayn on the eve of the war in the Persian Gulf, and second, he is too closely associated with the special services. In addition, Primakov's last visit to Israel and the sharp conversation that took place with Prime Minister Shim'on Peres exacerbated relations with the Jewish state, which only recently seemed unclouded.

It seems that Washington and Jerusalem eventually reacted to the Kremlin's changed (albeit for election purposes) rhetoric. The calls to develop ties with Iraq, Lebanon, and Iran which are increasingly being heard from Moscow have forced the Americans to be wary. If Russia seriously intends to bank on reviving cooperation with odious dictatorial regimes, there can be no doubt that the United States and Israel will continue to do all they can to prevent Moscow's return to the Near East. As the failure of Primakov's mission showed, they do, alas, have the means to do this.

Russia: Chechen Group Claims Responsibility for Istanbul Explosion

LD3004083896 Moscow ITAR-TASS World Service in Russian 0716 GMT 30 Apr 96

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Translated Text] Ankara, 30 Apr (ITAR-TASS) — Responsibility for an explosion near the Istanbul office of Aeroflot-Russian International Airlines was claimed by the "Organization for Solidarity with the Chechen Resistance Fighters", previously unknown in Turkey. On Sunday evening, a bomb blast destroyed a door and blew out windows there.

About five million people of North Caucasian origin live in Turkey, and many pro-Chechen groups are active.

Russia: Finnish Foreign Minister Raises Chechnya Rights Issue

LD2904180796 Helsinki Suomen Yleisradio Network in Finnish 1430 GMT 29 Apr 96

[FBIS Translated Text] Chechnya has been an important subject in talks between Finnish Foreign Minister Tarja Halonen and her Russian opposite number Yevgeniy Primakov in Moscow. Halonen stressed the view held by the European Union and the Council of Europe that human rights must be observed in Chechnya.

[Correspondent Martti Hosia] During the meeting between Foreign Minister Tarja Halonen and Yevgeniy Primakov of Russia, which lasted many hours, a large number of subjects were touched upon. However, from the news point of view, the chief ones were the Baltics, NATO, and Chechnya.

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[Begin Halonen recording] For my own part I would like to say about Chechnya that I raised very openly that this was a matter which the Council of Europe, the European Union, and the Organization for Security and Cooperation in Europe not only want solved but are also interested in the manner in which it will be solved. [end recording]

[Hosia] The stress is on on the word: manner. The Western countries, Finland included, want Russia to respect human rights in Chechnya. Excessive violence cannot be accepted.

A touch of drama was lent to the foreign ministers' meeting by a message brought to Primakov in the middle of lunch on the death of the new Chechen leader Zelimkhan Yandarbiyev. According to Primakov, the death of Yandarbiyev's predecessor Dzokhar Dudayev a week ago made the negotiations more difficult. The situation is probably even more difficult now.

As an antidote in a sense, the Russian side raised the rights of the Russian minority in Estonia. Speaking at a news conference, Primakov raised Finland as a model for Estonia. According to Primakov, along Finnish lines, Estonia should also have two official languages, Estonian and Russian.

Speaking about NATO, Primakov noted that fortunately Finland is not a member of NATO, nor does it intend to become one as far as he knows. This is Martti Hosia from Moscow.

Russia: Vexed Issues in Ties With Ukraine Examined

MM2904142996 Moscow ROSSIYSKAYA GAZETA in Russian 27 Apr 96 pp 5-6

[Article by Aleksandr Shinkin: "Integration Ukrainian-Style"]

[FBIS Translated Text] Immediately after the "G-7" summit Boris Yeltsin met with Ukrainian President Leonid Kuchma. They spoke one-on-one. But we have learned from the Russian president's entourage that they did not sidestep the subject of Russo-Ukrainian relations. Moscow and Kiev have so far taken little progress toward meeting each other halfway.

Russo-Ukrainian relations are sometimes reminiscent of the Oriental proverb: "When bulls are grazing on tough grass, they start keeping an eye on each other." So it is for our two states — both of us are finding the going hard. Thus it is that politicians and then peoples start looking for culprits among those like them.

It ought to have already been clear who feeds whom and who owes money to whom. But no, the bogey is being put about with renewed force — imperial Moscow is encroaching on the sovereignty and independence of free Ukraine. And Ukrainian politicians do not stint on diplomatic expressions in their statements, in which Moscow is allegedly both an ally and, at the same time, merely an obstacle to Kiev.

Although there have been innumerable references to the development of closer ties between the two states. "Life itself confirms our interest in each other," Leonid Kuchma said recently. But he immediately noted that normal mechanisms for developing those ties have not yet been worked out. And the Ukrainian Foreign Ministry later clarified that Kiev is prepared to discuss those issues which are in the republic's national interests and do not contravene existing legislation. Just try figuring that one out.

One thing is reassuring — the Ukrainian-Russian negotiating process continues. In the opinion of observers, it is active and will continue to be so. And there are explanations for this. Above all, economic ones. Sergey Pogorelov, leader of the Ukrainian president's Council of Employers and Commodity Producers, claims that the republic is "in a very difficult economic position and is sliding toward becoming a colonial country."

He reported that in the past 18 months pig iron production had fallen by a third, machine building production was down 2.4 times, tractor production was down 6.2 times, TV set production was down 6.8 times, and footwear was down by a factor of 2.6 There is no sector which can be called more or less prosperous. Only 25 percent of enterprises are working stably.

Naturally, the restoration of economic ties with Russia would to a certain extent help to change the situation in the republic's industry. All the more so as many Russian enterprises have an interest in the Ukrainian market.

Both states are striving to settle a political problem — the Black Sea Fleet. Ukraine needs a stable situation in the Crimea, while Russia needs to retain its fleet in Sevastopol — a city which has been the glory and heroic symbol of the Russian people. But three documents — the agreement on the status of Sevastopol and the Black Sea Fleet, on the parameters for the division of the Black Sea Fleet, and on transactions in connection with the division of the fleet — continue to be a stumbling block in the talks.

There is probably a logical explanation for that. Whereas a year ago, observers note, Leonid Kuchma needed Yeltsin's visit to Kiev as a demonstration of Russian support for his policy (whereas he had refused to make any election promises to the Russian-speaking population), now the Ukrainian president has managed

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to stabilize the situation in the east and south of the country without Moscow's help. And he now has other priorities — strengthening his own power by adopting a propresidential constitution, and balancing political groupings. Moreover, the uncertainty over the result of the 16 June Russian election is having an impact too.

But probably the main obstacle to a rapprochement between Ukraine and Russia is the sudden love affair with Kiev on the part of the United States and the Western countries. Although the maintenance of Ukrainian independence, it has to be noted, has long been a U.S. foreign policy priority. And the creation of a powerful economic association including Ukrainian territory would clearly be counter to their interests. Zbigniew Brzezinski's phase that with Ukraine Russia becomes an empire, is well-known.

Recently the U.S. Administration has been trying to act as mediator in Russo-Ukrainian relations, providing Kiev with small but frequent amounts of aid. Incidentally, Ukraine already outstrips Russia in terms of its financial aid from the United States, coming behind only Israel and Egypt. Next year Washington's promises are even more significant.

And there have already been hints that Ukraine would look pretty good within NATO as a key element in stability in Europe, and there have been some rather ambiguous invitations for it to join the bloc. At least, the U.S. State Department has clearly stated that Ukraine is henceforth becoming "the United States' main friend and partner in Central Europe."

Leonid Kuchma was no less definite on the question of NATO strategy and tactics in Geneva a month ago. Ukraine's future, he said, should undoubtedly be a future of nonmembership of any blocs. Ukraine does not see NATO as a threat to its security and is actively expanding cooperation with that organization on the basis of the "Partnership for Peace" program, as well as within the NATO Council framework. The next step, Kuchma noted, could be the establishment of a special partnership relationship between Ukraine and NATO.

The desire of a "second among equals" to achieve full equality is understandable. But this is determined not solely by the willingness of politicians. Certain observers reckon that in order to get back on its feet Ukraine will need around $300-400 billion over the next decade. Discussing such sums would be absurd even at closed sessions of the "G-7." But it is hard to say what will be the nature of Russo-Ukrainian relations in the future.

Russia: U.S. Could Even 'Profit' From Zyuganov Win

MM2904144296 Moscow KOMSOMOLSKAYA PRAVDA in Russian 27 Apr 96 p 7

[Article by Stanislav Kucher under the rubric "View from the Sixth Floor": "Russia Can Have Anyone It Likes So Long as He Does Not Get in America's Way. For Pragmatic Reasons, It Seems, the United States Is Prepared To Make a Pact with the Devil"]

[FBIS Translated Text] Is the outside world going to help us? On the eve of the presidential election it is not only the Russian presidential contenders who are asking themselves this question but also those inquisitive voters who have already made up their own minds and are ready to share their choice with the ballot box. How will the West and above all the United States react to the person the Russians elect? I would like to reflect on that theme right now, while the smiles of the G-7 leaders who supported our president's policy for the umpteenth time remain fresh in the memory.

How convincing is the viewpoint — a viewpoint that is extremely popular among the "reformers" and in general among those who dislike the Communists — that the Americans are sincerely committed to the development of capitalism in Russia and will do everything possible to prevent the "Reds'" triumph? At first glance this is an entirely sensible view. For the umpteenth year now the Western leaders have been urging us in unison not to turn away from the path of reforms and make no great secret of the fact that they want to see Boris Yeltsin in the Kremlin. Finally Michel Camdessus, executive director of the IMF (whose official currency is the U.S. dollar, as we all know), recently solemnly announced the opening up of a $10-billion credit line for Russia and threatened quite unashamedly: "If Moscow turns aside from the path of reforms in June, the money will immediately be blocked." A convincing argument?

Not very. Neither the West as a whole nor the United States in particular is able significantly to influence the development of the situation in Russia. Furthermore, if you believe the opinion polls, sympathies toward the United States have given way in the Russian provinces to irritation and hostility toward just about everything American — from third-rate U.S. movies to its cheap chewing gum. Thus a show of friendship between Yeltsin and Clinton generally does not elicit from the majority of poor Russians the kind of emotions that the president's advisers are counting on.

Take economic aid. What one-hundredth of a percent of those who go to the polls in June have ever personally experienced its beneficial effect? Aleksandr Livshits

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conscientiously explains on television what needs will be met by the foreign loans, but the common opinion among citizens persists that this money is being used to keep the incumbent leaders in power or is being transferred to the foreign accounts of the powers that be. Russia is not Israel, where almost every school or kindergarten has been built with U.S. philanthropists' funds.

The West, I repeat, cannot influence Russia's destiny. And strictly speaking does it want to? The answer to this question seems at first glance absurd. Essentially it boils down to this: It will even suit the United States if the Communists come to power in Russia.

It is not just that during the Cold War the notorious U.S. military-industrial complex earned billions of dollars a year and created hundreds of thousands of new jobs. Ultimately, unlike in the USSR, the U.S. military-industrial complex has never kept half the country fed. The United States really has no interest now in the revival of the Soviet Union in its old form or consequently in the resumption of nuclear confrontation and the arms race. That is not the question. The Americans understand perfectly well that if Zyuganov wins it will not be possible to revive the Union in the foreseeable future. Instead there will be a fundamental reason to resolve many problems — from the purely tactical to the global — in its own interests.

The global problem for the United States on the eve of the 21st century is obvious. When the world was divided into two camps the United States was the acknowledged leader of one of them. It constantly gained politically and economically from that fact. Strictly speaking not one developed capitalist state dared encroach on "Uncle Sam's" supremacy in any sphere. Everyone feared the Communists, and the United States was considered the main guarantor and protector of democracy. Now however, even though in a certain sense it remains the only superpower, its position in this role is becoming increasingly uncertain.

Europe is uniting rapidly and ceased to be economically dependent on the United States long ago. The growth of Germany's economic and political influence is increasingly worrying the United States. The East European countries, which are burning to join NATO, are counting more on the protection of the Germans than of the Americans. Third World countries are learning to stand on their own two feet and no longer want to be dependent on a single patron, with the result that U.S. prestige there is declining sharply.

If the Communists enter the Kremlin in June the United States will have an opportunity to recover its lost positions in the world without fearing an eruption of cold war on its former scale. By itself the skillfully "activated" threat of a "return to the past" could lead to a strengthening of the U.S. role in NATO and accordingly to a new growth of its influence in Europe. Not to mention the dividends that political and financial groups in the United States itself will be able to reap....

As for the U.S. Administration's attitude to Yeltsin, let us remember the U.S. admiration for Gorbachev and the administration's refusal to take Yeltsin seriously. Incidentally, during visits to Moscow U.S. leaders (Clinton in 1995, Christopher in 1996) met and had detailed conversations with Gennadiy Zyuganov, among others. After which they had far greater respect for the man than Bush had for Yeltsin at the beginning of 1991....

I am not claiming that the United States will rejoice if there is a changing of the guard in the Kremlin on 17 June. But for the umpteenth time in its history the United States will be able to profit from any situation — even if it is warning against precisely that situation at the present moment.

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Political Issues

Russia: Yeltsin Interviewed by POLITIQUE INTERNATIONALE

MM3004103196 Moscow ROSSIYSKIYE VESTI in Russian 30 Apr 96 pp 1-2

[Interview with President Yeltsin by unnamed POLITIQUE INTERNATIONALE correspondent; date and place not given: "Russia — Policy of Protecting Individual Rights and Freedoms. Russian Federation President Boris Yeltsin Answers Questions From POLITIQUE INTERNATIONALE (France). In LE FIGARO and ROSSIYSKIYE VESTI"]

[FBIS Translated Text] The interview with the Russian Federation president "Russia — Policy of Protecting Individual Rights and Freedoms" is being published in the Paris newspaper LE FIGARO and in ROSSIYSKIYE VESTI. It was given by Boris Nikolayevich Yeltsin to the Paris journal POLITIQUE INTERNATIONALE, which will be published three days after publication of the conversation in the newspapers.

POLITIQUE INTERNATIONALE is the most influential general political journal in West Europe. Set up around 20 years ago by the well-known French journalist and political scientist Patrick Weisman, POLITIQUE INTERNATIONALE has today become a forum for the most important people of the day — statesmen, financiers, economists, academics, industrialists, writers.... The journal has published items by Ronald Reagan and Helmut Kohl, Margaret Thatcher and Jacques Chirac, John Major and Francois Leotard, Viktor Chernomyrdin and Yitzhaq Rabin.... It is no exaggeration to say that there is no "political cabinet" on either side of the Atlantic so important that it has not been approached by POLITIQUE INTERNATIONALE. For the readers of the publication are those in power — the decision-makers!

Incidentally, we are sure that it is not only among those people that President Boris Yeltsin's interview will generate the most lively interest.

[POLITIQUE INTERNATIONALE] Mr. President, what does the term "presidential republic" — which defines the form of democratic rule in Russia and France — mean to you?

[Yeltsin] Above all, it is the closeness between the political situations in France and Russia, under which this form of state set-up has become the only acceptable one. I say this because both during the era of General de Gaulle and after the 1962 referendum, and in Russia before and after the 1993 referendum, there were a lot of critics who depicted the constitutional introduction of a presidential republic as an act of usurpation of power, as the creation of the institution of presidential dictatorship. Neither then in France nor today in Russia is anything further from the truth than such claims. Let us look at Russia's recent history. The threat of pro-Soviet revenge from the Supreme Soviet, the economic crisis, and the transitional state of society required a strong statehood in Russia in 1993. The Russian Federation's new Constitution reflected this objective requirement. Russia's short but very important five-year experience shows that under a constitutional system, the separation of powers, federalism, the multiparty system, a civic society, freedom of the individual, and independence of the press, presidential rule is becoming no more than one of the elements of the overall system of power and poses no threat to society or to democracy.

[POLITIQUE INTERNATIONALE] In the period since the State Duma elections in December 1995 the Russian Government has undergone considerable change — many politicians who embodied the fundamental reforms being implemented in the Russian economy and Russian society have left. Do not these "personnel" changes show that you have called into question the continuation of reform in Russia?

[Yeltsin] No, they do not. The reforms will be continued in those spheres where they are necessary, and reinforced where needed. As for the personnel changes in the government and the presidential team, I see nothing extraordinary about them. Today's Russia is living through extremely dynamic conditions, current political tasks change relatively quickly, and this objectively requires new approaches and solutions, and, at the same time, new faces and new politicians. In a rapid period of transition such a renewal of personnel and constant demands on personnel are an entirely natural process.

[POLITIQUE INTERNATIONALE] Why did you consider it necessary to run for Russian president?

[Yeltsin] I have talked about this on several occasions already. First, there was a range of political and socioeconomic tasks which I as a politician was obliged to resolve, thereby fulfilling my duty to the Russians who elected me in 1991. Second, as a man of democratic, reformist views, I consider it personally necessary to do everything to counter the threat of communist revenge in Russia. Unfortunately, neither the Communist parties nor communist ideas in our country have moved one iota in the direction of civilized social democracy. Moreover, the ideas currently advanced by representatives of the Communist parties pose an undoubted threat to Russia, Russians, and the international community. As Russian president, as a politician, and as a citizen I cannot allow such forces to come to power.

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[POLITIQUE INTERNATIONALE] You have repeatedly warned both your fellow countrymen and the West about the "brownshirt-Red threat." What do you mean by that? What is the level of that threat to Russia at the moment?

[Yeltsin] I fear that the time for suppositions and predictions is over. Both Russians and the West were entirely able to see this for themselves following the Communist State Duma's decision to denounce the Belovezhskaya Pushcha Accords and to recreate the Soviet Union. There is nothing behind this decision other than short-sighted politicking and an ideological adventurism that poses a great danger to the world. I demonstrated for the umpteenth time the "brownshirt-Red" essence of Russia's Bolsheviks, who have learned nothing in all the years of their history and are calling on the people to forget everything. And that is just one example. It is easy to imagine what those leaders would indulge in were they to come to power. Do you remember the issue that was of most concern to society in the mid-seventies, during the policy of "Eurocommunism" and the "historic compromise" of the Italian Communist Party? If the Communists came to power by parliamentary means, would they impose on society the very doctrines which they had traditionally upheld on the barricades and during civil wars? Today this issue faces Russian voters. After the Communists come to power, further violence against the people, individuals, and the economy is possible, along with a new "iron curtain" and the ideological and spiritual devastation of the country. We cannot let this happen.

[POLITIQUE INTERNATIONALE] Apart from the fact that the president is a symbol of the state, he is also the spiritual leader of the ruling party. That is the worldwide political practice. Do you not see a need to create around the Russian president a broad democratic party and mass-based political movement?

[Yeltsin] I would make so bold as to note that world political practice is very diverse. Political systems in different countries have sometimes taken shape over the course of centuries. And the presidential parties which, incidentally, exist in by no means all democratic countries, were most often formed as a result of many objective and subjective factors. The present-day trend of developing party systems in many countries shows that there is a move away from parties with rigidly fixed memberships to broad electoral associations rallied on a more or less permanent basis around a leader or his action program. That was the situation in Russia in 1991 and 1993. It remains the situation today — at any rate, as far as my election campaign is concerned. But, of course, this does not mean that I as a presidential candidate should not make an effort to broaden this coalition.

[POLITIQUE INTERNATIONALE] As you are aware, there are still people in the West who criticize the Russian Federation's admission to the Council of Europe. In the view of those skeptics, your country still does not always observe human rights everywhere — particularly in Chechnya. Do you consider that criticism justified?

[Yeltsin] Not at all. Above all, regarding Chechnya. Otherwise we would have to raise the issue of a policy of "double standards" by the Council of Europe in respect of the purely internal problems of certain countries. What about Britain's Northern Ireland problem, the Basque problem in Spain, or France's New Caledonia problem? The last thing I intend to do is to reproach states and governments. All the aforementioned problems, like the Chechnya problem in Russia, are examples of an "inescapable inheritance." They were not created by today's governments. That is why it can be very hard to clear away obstacles that have been built up in the past by others. What is the positive aspect of the Council of Europe's decision on Russia's membership? The main thing is that Council of Europe members have grasped the dominant trends in my country's development over the past five years. These are unambiguously democratic trends — a policy of protecting the rights and freedoms of the individual. Despite all the difficulties of the transitional period, there has been no backtracking from that policy. This means that Russia is escaping and will escape from the grip of the totalitarian past. Incidentally, the statutory standards of the Council of Europe will only help it in that.

[POLITIQUE INTERNATIONALE] Is there, in your view, any danger that the continuation of hostilities in Chechnya will lead to an internationalization of the conflict?

[Yeltsin] There has never been any danger of that, since none of the republics adjoining Chechnya have ever had the specific conditions which led to the conflict there. There were no social groups there who were prepared for the sake of criminal interests to embark on this kind of conflict. Finally, both the peoples and governments of those republics have done everything to prevent themselves being drawn into the Dudayev regime's bloody adventures. As the plan announced by me 31 March this year for a settlement in Chechnya is implemented, the likelihood of an internationalization of the conflict will be reduced to zero.

[POLITIQUE INTERNATIONALE] Do you get the impression that people in the West are objectively aware about what is happening in Russia? How would you

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formulate the main mistakes made by the Western countries in developing their relationship with Russia?

[Yeltsin] I have recently gotten the impression from my numerous meetings with Western heads of state that they have pretty complete and comprehensive information on events in Russia and on the problems and development trends in our country. But that has not always been the case. Our Western partners experienced the greatest information shortage and "nonunderstanding syndrome," it seems to me, in 1990-1991, when the constant questions asked by Western politicians ("Who will it be — Gorbachev or Yeltsin? The USSR or Russia?") were a sign of confusion. I think that a major reason for that confusion was the crisis in traditional Western Soviet studies — Western specialists and schools were simply unprepared for the changes that happened so rapidly in Russia. Moreover, dogmas which had been developed over decades prevented them from looking at many things realistically. You will agree that it is one thing to monitor year in year out which Politburo members are standing in what order on the Mausoleum rostrum, and quite another to study and assess dynamic social processes in society. To understand the changes in citizens' political outlooks, the changes in their value systems, social psychology, and so forth. I am confident that the level of information and the grasp of events in Russia will increase as Russian departments build up their foreign policy and foreign economic activity and as meetings between Western leaders and their Russian partners become more regular.

As for the West's mistakes over Russia, I do not have good enough reason for drawing attention to them. That, incidentally, does not mean that there have not been any mistakes or that there will not continue to be mistakes. I see the main reason for them as lying in a kind of inertia of "bloc thinking" — the former basis of the foreign policy of both the West and the East during the Cold War years. That is a difficult legacy, and it will take time and joint work by the governments of various countries to surmount it.

[POLITIQUE INTERNATIONALE] Which Western politicians, in your view, have the best understanding of the enigmatic "Russian soul"?

[Yeltsin] I think it would be wrong to make assessments on that score. The reason is simple: The question of the national distinctiveness of Russian development and of Russians is one that has been pondered by Russia's greatest philosophers (Florenskiy, Berdyayev, Bulgakov, and Rozanov) and by its most famous writers (Dostoyevskiy and Tolstoy). Their prestige is widely recognized in both Russia and the West. Nonetheless, I am not sure that the last word has been said on this question nor that the last page in the study of this has been turned.

[POLITIQUE INTERNATIONALE] You have repeatedly and sharply criticized in the past NATO's expansion to include the states of Central and East Europe. How do you view this now? Is not the hard-line stance — both positive and negative — toward NATO's eastward expansion liable to result in a revival of "bloc" confrontation that could take us back to the Cold War era?

[Yeltsin] I would not draw parallels between positive and negative stances on the question of NATO's eastward expansion. Even if both stances are identically "hard-line," they are fundamentally different from each other — primarily in terms of their approach to the essence of the problem. From my standpoint the preservation, much less the expansion, of NATO is not merely an attempt to preserve Cold War-era foreign policy mechanisms and thinking, but also follows the path of least resistance in everything relating to the elaboration and development of a modern security system in Europe that meets the new realities. I do not have to demonstrate to you against whom and what NATO's defensive and offensive potential of the fifties was directed. But I constantly ask myself whether the former threats exist today. And does not the new nature of conflicts and tension in Europe require fundamentally different security mechanisms?

[POLITIQUE INTERNATIONALE] What do you see as the main role of the CIS (as a free trade area, a military-strategic alliance, a federation of states, etc)?

[Yeltsin] The CIS has already carried out one of its main roles. In the crisis of 1991 this structure prevented us from sliding into total disintegration in the post-Soviet area, and allowed us to maintain a system of ties between the new states which had emerged on the territory of the former USSR. This structure prevented the exacerbation of separatism and state nationalism, which could have resulted in military conflicts. Talking about the present, as the process of the reintegration of Belarus, Kazakhstan, Kyrgyzstan, and Russia shows, it would hardly have been possible without the experience of collaboration and cooperation between states within the CIS framework. For that reason I now view this alliance as a kind of platform for strengthening the allied ties between the former USSR republics in the future.

[POLITIQUE INTERNATIONALE] Relations between Russia and Ukraine are difficult — that applies to the fate of the Black Sea Fleet, the Crimea question, and many other problems. In your view, on what principles

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should relations between two of the most important — and, moreover, nuclear — European countries be based?

[Yeltsin] I agree that relations between our countries are indeed difficult. I think that initially this was bound to be the case — the economies, infrastructures, armed forces, and military-industrial complexes of Russia and Ukraine were too closely bound up with each other during the Soviet era. The declaration of independence for the two countries and peoples could not fail to give rise to a complex range of problems which will take time and patience to resolve. Nonetheless, I would not overdramatize the situation today. For the past few years it has been under control by the two governments and has not gone beyond the framework of the negotiating process, which is not only not winding down but is intensively developing in the most varied areas. I am confident that only this kind of relationship is possible between two of the most important states in Europe, and I intend to do everything in my power to ensure that those ties are preserved and further developed.

[POLITIQUE INTERNATIONALE] The war in the former Yugoslavia has demonstrated to the entire world the inadequacy of the European security system in resolving interethnic conflicts in multinational states. What do you see as the lessons of the Yugoslav crisis — for Russia and for the West?

[Yeltsin] It seems to me that I have already partly answered that question during our discussion of the problem of NATO's eastward expansion. But let me repeat: The existing security system in Europe cannot be considered effective if it is capable only of reacting — albeit effectively — to various conflicts. The realities of the end of the 20th century require new approaches to security doctrine, primarily in building up the preventive potential of security systems. Unfortunately, Europe, which has been through two world wars this century, has built up too little experience of preventing impending conflicts. Nonetheless, there is some experience, although it goes back to the mid-twenties — the classic example is the resolution of the dispute over ownership of the Aland Islands. I think that it is sufficient for a highly integrated European community to create a fundamentally new security system and to prevent conflicts like Yugoslavia.

[POLITIQUE INTERNATIONALE] Do you consider the current solution to the "Bosnia problem" to be viable long-term?

[Yeltsin] That will depend on many factors, the most important of which are the intentions of the parties to the Bosnia conflict and the international community's readiness to continue sparing no effort to control the situation in this area. My personal impression is that the peoples of the former Yugoslavia are experiencing a moral fatigue with war — particularly a fruitless war that is doomed to end in defeat for all and to bankrupt the winner. A similar situation was faced by Armenia and Azerbaijan in the Nagorno-Karabakh conflict before they moved to a bilateral negotiating process.

[POLITIQUE INTERNATIONALE] It is terrible to admit it, but terrorism has become a normal feature of everyday life in both the west and east of Europe. Are there, in your view, any means of countering this cruel scourge?

[Yeltsin] Yes there are, and they were discussed at the recent meeting of heads of state in Egypt. Like the leaders of other countries, I have no illusions about the difficulty of solving a problem that is ingrained and complex. I am sure that purely police measures — even if coordinated on an international scale — will not be enough to solve it. It is important to grasp the roots and sources of terrorism in each of its specific manifestations. After all, those sources are varied and often go back decades into history. That is why we need to bring our entire arsenal of means into play into order to destroy terrorism and, above all, the reasons for it. These means include the negotiating process, the settlement of various conflicts, the resolution of ethnic and religious contradictions, mediation operations, and the closest coordination by the international community in eradicating and preventing political and criminal terror.

[POLITIQUE INTERNATIONALE] How do you see Russia at the dawn of the 21st century — in 10 years' time, say?

[Yeltsin] I do not want to go down as another "Kremlin dreamer." But if Russia succeeds in avoiding any further political upheavals in the next few years, I am confident that it will enter the 21st century as a democratic state of free men who are not fearful for their future or that of their children; a state with a stable, developing economy and a developed social sphere; a state with a high level of scientific and technical potential; and a state that is a full and respected member of the international community and a long-term partner in world economic relations.

Russia: Yeltsin Plans Series of Political Consultations

LD2904132896 Moscow ITAR-TASS in English 1319 GMT 29 Apr 96

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, April 29 (Itar-Tass) — "The Russian President is planning to hold

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shortly a series of political consultations, including some with representatives of the opposition represented by the Communist Party of the Russian Federation," Presidential Aide Georgiy Satarov stated here today when asked by Itar-Tass about Yeltsin's attitude to the call issued by Russian bankers, who urged the politicians to make serious concessions and reach strategic agreements on the threshold of the presidential elections. Satarov described this call of the bankers as "a responsible civil action".

The Presidential Aide holds that "the upcoming elections increase the Russian society's social polarisation" and, therefore, Yeltsin's Election Council is "working out corresponding protective mechanisms". In order to implement in practice the bankers' call for compromises between the leading political forces "it is necessary, first and foremost, to study their concrete proposals, and there are reasons to do it," Satarov noted.

As to the bankers' statement that after the presidential elections the country would be governed "in fact on behalf of the minority, irrespective of whether it is red or white", Satarov believes that "the society should be explained without cease that democracy means the implementation of the constitutionally and lawfully established procedures, including the procedure of elections". "If Yeltsin wins the elections, he will be counterbalanced by the Communist majority in the State Duma and, thereby, the representation of the interests of different political forces within the governing bodies will be ensured," the Presidential Aide believes. In his opinion, "the problem of the representation of power would arise only if the June 16 elections were won by the Communists: then the President and the State Duma will be of the same hue".

The Presidential Aide said that Yeltsin's entourage did not reject the idea of working out agreements with the opposition "to find forms of reducing the polarisation of the Russian society".

Russia: Zyuganov Interviewed on Youth Policy, Patriotism

MM2904123696 Moscow SOVETSKAYA ROSSIYA in Russian 27 Apr 96 p 3

[Unattributed interview with Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation; place and date not given: "Gennadiy Zyuganov: Learning Patriotism" — from the "Young Russia" section]

[FBIS Translated Excerpt] [passage omitted] [SOVETSKAYA ROSSIYA] The Army could probably be considered to be a youth organization in a certain sense, seeing that the majority of officers and especially of soldiers are young people. And yet today it is something of a bogeyman for young people, like evil witches for small children.

[Zyuganov] The Army must become the institution that it is in any self-respecting country: a school of courage, a school of vocational training for each man. But not just that. The Army is primarily an institution for the education of patriots. When beginning his military service, each teenager should know what it is that he is defending and who it is that he is serving. He will join the Army with joy and pride, the way it has always been in our country, provided he is convinced that he is defending his own people, his own home, his own mother, his own wife, his own sister. Provided that the fact that he has performed his service adds to his weight in society and makes his respected.

The Soviet Army gave a vocation to each and every person who served in it. Young people who returned to civilian life were no longer afraid of anything; they had a vocation, they had privileges as regarded joining higher educational establishments, and in any case they were firmly standing on their own two feet. Nowadays the guys returning from military service are a fresh headache for society, a neurosis for society, because virtually all of them need psychological rehabilitation or health rehabilitation, and at times they return as outright invalids.

It is, therefore, necessary to reinstate the pre-Army training of children, the military sports organizations, and the DOSAAF [USSR Voluntary Society for the Promotion of the Army, Aviation, and Navy] clubs system.

[SOVETSKAYA ROSSIYA] But you have to agree, Gennadiy Andreyevich, that today we have to speak of a lost generation, a generation whose mind has been hopelessly poisoned, a generation whose purpose in life is different from what is needed for the country's revival. Hundreds of thousands of young people will no longer man a machine tool or pick up a book of their own free will. Do you have in mind some mechanism for attracting young people back to vocational and technical schools, to plants, to agriculture?

[Zyuganov] There must be just one single mechanism as regards work with young people and the state's youth policy — interests, qualifications, and prospects. I am absolutely convinced that there is good in everyone, and this is the sole premise from which people must be approached, only by respecting others and considering them to be equal in every regard. Everyone wishes to materialize his potential in some sphere. Even the lost generation is striving to become more successful. It is a different matter that its guidelines are hopeless and its

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premises are wrong, but there is some understanding, some sobering up in process. I can sense this from the questions I am asked by young people, by their growing disenchantment with the values that have been hoisted on them. The future will depend on what we can offer as an alternative.

To continue. It is necessary to elaborate a program for bringing back our young scientists from abroad. Today more than 70,000 young specialists and scientists have been forced to work in the West because their own country cannot offer them any conditions for their creative growth. This is how our famous scientist Petr Leonidovich Kapitsa returned home way back in the past, he abandoned one of the West's largest laboratories but a specialized institute was created for him here and he achieved a great deal for the fatherland. Our young scientists, regardless of where they may be working now, must be given guaranteed prospects and opportunities to materialize their potential in Russia. Moreover, this measure, just like all other steps as regards young people, must be effected on the legislative, constitutional level.

[SOVETSKAYA ROSSIYA] Gennadiy Andreyevich, how do you perceive the political and ideological work with young people?

After all, the Komsomol [V.I. Lenin Communist Youth League] movement in our country has shattered into a multitude of fragments, like the mirror in Andersen's fairy tale. Is a unified organization necessary and possible?

[Zyuganov] The Communist Party today is seriously pondering this problem, it is learning and seeking approaches. It must be said that the party itself is getting younger. Our faction in the Duma, for example, is the youngest. The average age is 42 years. I am considered an elder in the party leadership. Judge for yourselves. Young people are flooding into the party. It was recently reported that 300,000 young guys and girls had joined the Communist Party of the Russian Federation in Chuvashia alone. We are profoundly convinced that young people will reach for us provided the party sets its sights on the 21st century. All the matters I have discussed are problems of the future, a future which would be simply impossible without intellect or knowledge. This is why I consider teachers and educators to be the key figures.

As for youth organizations, they must exist without any doubt. But the full diversity of life and interests must be taken into account. Young people can defend themselves and exercise their rights, especially today, only if they are organized. And this process is getting under way everywhere. Look, news is constantly coming in about young pioneer detachments being set up, about the Timur movement's [children's volunteer companies in the USSR] revival, about Komsomol cells being set up. Teachers and parents are welcoming this because they realize: The children have an organization, therefore they are already protected to a certain extent. Moreover, practice shows that the most eager to organize are the children of workers and peasants, of the most deprived and least protected people today. The state cannot guarantee them an opportunity for self-expression or for the materialization of their potential, therefore a spontaneous process of self-defense is under way. But an organization — be it a Komsomol, a young pioneer, or any other organization — can achieve this. These organizations can be different in different regions, even in neighboring institutes or schools, depending on what these children's interests and feelings are. The state's policy in this sphere must provide not prescriptions and orders for these organizations but support in the development of their initiative and autonomous activity.

[SOVETSKAYA ROSSIYA] But should there be some kind of unifying idea, a dominant feature as it were, in the state's work with young people and in youth organizations themselves?

[Zyuganov] There must be. Moreover, without a common idea, all the knowledge, habits, and skills acquired by young people, everything of which I have spoken so insistently, could turn into blind dogmatism, into deadweight in people's minds. Everything could prove to be pointless if there is no answer to the question "Why?" There can be many incentives for engaging in sports, for example, or in art or science, ranging from a desire to see yourself healthy and beautiful to the opportunity to earn well, to be famous and prestigious in your work. But this can happen only if people associate their personal motivation with the common idea, if they realize and appreciate their role, then they will gain an incentive to develop themselves, as well as gaining public recognition.

This is not a new idea. It is known as patriotism. The task of young people's organizations is to associate "each step of an individual's training, upbringing, and education" — and here I quote Lenin — with the cause of the fatherland's revival and prosperity. In order to achieve this it is necessary to work among and with young people, to reach out for them rather than waiting for them to rally around patriotic slogans. They will never rally unless they are organized. And it is not a question of slogans. It is a question of educating citizens. It is the state's task to open up the country to young people. Yes, indeed to open it up because today they know nothing about it, they cannot see it, they have no opportunity to travel, to learn our great

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history, to find out about their famous forebears and even about people who are living and working for the fatherland's sake today, right next to them. The entire official propaganda machine has concealed these values from young people by covering them up with cheap Western substitutes, therefore many young people do not know anything of their country's history and geography but are perfectly well briefed on Madonna's amorous intrigues. This is the dreadful substitution that is taking place, this is what is threatening us: To enter the third millennium without a motherland, without our own country.

What is the meaning of being a patriot today? This means knowing your country, working to strengthen it, and possessing the intellect, vocational habits, qualifications, and skills to apply your knowledge for the benefit of the cause. This means being a moral person, in other words living in accordance with the norms and ethical tenets elaborated by our people over a thousand years. They include respect for your elders, concern about children, selflessness, industry, and — in the first place — defending the motherland bequeathed to us by generations of Russian people.

Being a patriot means adhering to the thousand-years old tradition of Russian collectivism [sobornost], cooperativeness [tovarishchestvo], and community [obshchinnost].

It would be impossible to be a patriot without respecting everyone inhabiting our country regardless of nationality. Only peace and fraternal relations between all peoples in great Russia can guarantee its might and integrity.

Being a patriot means loving your motherland infinitely. And in order to achieve this it is necessary to build your own inner world, muster your soul, and educate yourself.

Russia: Security Tightened After Chernomyrdin's Doctor Murdered

LD2904114096 Moscow INTERFAX in English 1016 GMT 29 Apr 96

[FBIS Transcribed Text] MOSCOW, April 29 (Interfax) — Tight security precautions have been in force to protect Prime Minister Viktor Chernomyrdin in the wake of his personal doctor Dmitriy Nechayev's murder last weekend, a government source has reported, adding that alongside interior bodies the Main Protection Department of the Russian Federation has been instructed to investigate the assassination.

Chernomyrdin extended his condolences to Nechayev's family, and according to one of his aides, was immensely shocked by his doctor's death. The prime minister intends to attend a memorial service for Nechayev at Moscow's Central Clinical Hospital (TsKB) tomorrow before noon. Nechayev's body was brought to TsKB on Saturday, and the funeral has been scheduled for Tuesday afternoon.

As Chernomyrdin's personal doctor for the last few years, Nechayev has accompanied him on all his domestic and foreign trips, always at his side. On Nechayev's advice and under his control, Chernomyrdin had his kidney stones crushed through ultra sound surgery in 1993 and 1994.

Investigators have been verifying several versions of Nechayev's murder, the source said.

Russia: Davydov Gives News Conference on Paris Club Agreement

LD2904124696 Moscow ITAR-TASS World Service in Russian 0935 GMT 29 Apr 96

[By ITAR-TASS correspondent Andrey Yarushin]

[FBIS Translated Text] Paris, 29 Apr (Itar-Tass) — Under an agreement signed this morning by a Russian delegation and the Paris Club, the Soviet Union's foreign debt of $37.6 billion has been rescheduled. A term of repayment of 25 years has been granted, and the main repayments start in the year 2002; until then, Russia will pay only the interest. Deputy Russian Prime Minister Oleg Davydov told this to a news conference today, when he summed up the results of the talks in the French capital, which lasted for four days and nights. He said that, in its scale, term, and the volume of debt rescheduling, this was an unprecedented case in the 40-year-long history of the Paris Club's existence.

President Yeltsin's talks with the leaders of the world's leading industrialized countries in Halifax, as well as the accord with the International Monetary Fund, formed the basis of the agreement. It is hardly likely that deferment of the debt would have been granted to us without any strings, Oleg Davydov noted, if the creditor countries were not sure about the course of reforms being pursued by Russia's president and the recovery of the country's economy, and that means that we are becoming increasingly solvent.

This year, in keeping with the document, Russia will pay the Paris Club creditors just $2 billion; this sum has been provided for and is covered by the state budget. The last payment has to be made in August 2020. After receiving a financial breathing space till 2002, the path to the international capital market will be opened up to Russia. Now we have the opportunity to issue bonds, to obtain financing by using them as security, and to

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use them to compensate for shortfalls in budget finance. This means strengthening the solvency not only of the country and investors, but also of enterprises, the deputy Russian prime minister said.

Oleg Davydov also reported that a fundamental accord has been reached with the Paris Club on Russia's membership of this organization as a creditor this year. The membership procedure will probably be agreed upon and announced at the G-8 meeting in Lyons in June.

The deputy prime minister said the debt of the CIS states and the developing countries to Russia is currently growing, and "we intend to resolve these issues within the framework of the Paris Club." At present Russia is already represented officially in it as an observer. A final decision on membership will be made after Russia's declaration that it has assumed all the organization's obligations, propositions, and procedures.

Russia: SVR Aides Interviewed on New Intelligence Priorities

MM2604161596 Moscow RABOCHAYA TRIBUNA in Russian 24 Apr 96 pp 1, 3

[Interview with Tatyana Samolis, press secretary to the director of the Russian Foreign Intelligence Service [SVR], and Yuriy Kobaladze, leader of the SVR Press Bureau, by Rafael Guseynov; place and date not given: "Secrets of the Secret Services. Confrontation Has Disappeared. But Intelligence Services Continue To Operate"]

[FBIS Translated Text] Journalists never get used to surprising meetings. In the morning you are asking a minister a question at a press conference and in the evening, have gotten on a special aircraft just in time, you are flying to blazing Chechnya.... The profession itself demands from you curiosity and the ability to find out everything, even what you are "not supposed" to find out. Although in recent years the number of refusals to supply information has been reduced to a minimum, there are some services (and they exist in all states) in which it is strictly inadvisable to throw the doors wide open. Intelligence is first among them.

So when our guests appeared at our editorial office — a charming young woman with no military rank but an impressive post and a man just as young who is already a general and a big chief into the bargain — we were not counting on any particular frankness.

But Tatyana Samolis, press secretary to the director of the Russian Foreign Intelligence Service [SVR], and Yuriy Kobaladze, leader of the SVR Press Bureau, tried to dispel our impression of their service's complete secrecy.

[Guseynov] Every week the Russian president receives the SVR director's traditional report.

Without even knowing what is in this file of several sheets of paper, you realize that many people would give their right arm to find out its contents. All the same, what tasks is the Russian intelligence service setting itself today?

[Kobaladze] No intelligence handbook on Earth sets out all the rules and laws of our work. There is no such catechism.

But there are basic foreign intelligence requirements which have been developed over the years and are supplemented on the basis of the tasks of the day. In short, they are as follows: to deliver information to the power structures and above all the president, to whom we are constitutionally subordinate under the Law on Foreign Intelligence. The extremely limited circle of recipients of our information includes the government, the Federal Assembly, and certain departments.

The priority task remains not to miss the emergence of the latest types of mass destruction weapons capable of changing the balance of forces.

I would say that I regard the most successful classic example of intelligence services' confrontation as being the operation to obtain top secret material on the U.S. atomic project. This enabled our scientists to considerably accelerate the process of creating a Soviet atomic bomb.

On the whole one thing is clear to those of us who carefully observe the state of affairs in the U.S., British, German, and French intelligence services: With the end of the Cold War certain difficulties in entering this new world, where much has changed, can be observed in the Western community's intelligence environment.

Only a few years ago the USSR was known as the main enemy, just as the methods of combating it developed over the years. Intelligence priorities among the socialist community countries were determined in a similar way. The sides closely observed each other and if, say, the United States began to show interest in a certain country or region, the reaction in response was immediate. This confrontation essentially defined international relations and the struggle between intelligence services. When this open confrontation disappeared, intelligence services simply found it hard to adapt.

[Guseynov] How exactly has the Foreign Intelligence Service met such fundamental changes?

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[Kobaladze] I think that we were incredibly lucky that at that difficult moment the intelligence service was headed by Yevgeniy Maksimovich Primakov. At that time just such a man was needed — politically aware, with a good reputation, a knowledge of international problems, and capable of elaborating the intelligence service's philosophy in a qualitatively new stage.

[Samolis] The choice proved irreproachable.

[Kobaladze] Actually, that is why we managed to get out of a state of uncertainty fairly quickly and effectively at that time, unlike other organizations, some of which are still at the reorganization stage.

The publication of SVR reports is evidence of this. Specifically, such documents have been prepared on NATO, problems of developing the CIS, and the nonproliferation of mass destruction weapons. We make no secret of our desire to be useful to the country not only by fulfilling our purely specific functions but also by using our powerful scientific and analytical potential on other vitally important questions. I think that it is in no small measure thanks to the SVR report that the attitude toward NATO enlargement known to you began to take shape. Although I make no secret of the fact that not everybody has reacted to our alarm with understanding and that not everybody likes the intelligence service to participate in the setting of the country's foreign policy priorities.

Today I think it is clear that, while not regarding NATO as an enemy — we are not that primitive — it must be understood that any change in its configuration, any advance to the East affects the national interests of the CIS states and above all of Russia.

[Guseynov] Yet the SVR cannot fail to be affected by the troubled times....

[Kobaladze] Yes, society is now starting to realize that it is by no means essential to be faced with a specific enemy for the intelligence service's services to be required. After all, with the end of the Cold War the world did not become less complex, it became more multirhythmical and more multipolarized.

For instance, there are spheres in which our cooperation with yesterday's enemy is possible and necessary. They are the nonproliferation of nuclear weapons and the fight against the drugs trade and international terrorism.

But there are planes on which our interests do not coincide. These are the realities of the existing world. Unfortunately they have not been appreciated immediately or by everybody. There was an exodus of cadres in 1992, which was the hardest year for us. It was the people of the middle generation — in my opinion the most valuable level — who left, those who had already acquired experience, who had worked on station, and who are capable of generating ideas. Officers at the height of their powers who had worked abroad for a while and who had been blown, often through no fault of their own, also left. This happened before, but it did not mean the end of a career: Their knowledge and experience were put to use in our subunits. Some were attracted to work in commercial structures, where their unique experience and knowledge were rewarded immeasurably more.

I will say frankly that by no means all of them landed on their feet. It is a shame when things work out badly for highly-skilled intelligence officers who have been trained to work in special conditions.

By 1993 this process had been halted. Here I want to express what may be a paradoxical thought. There is a positive side to this problem. For the first time in the special service's history its staff have had the opportunity to change their job. Only a few years ago this was practically impossible.

In short, we got out of the crisis. With losses and costs but, I venture to assure you, as a completely battleworthy service. However, all this does not mean that we are living without problems. For instance, take cadres again. The USSR foreign intelligence service traditionally took its cadres from all over the country. This was a deliberate policy which made it possible to achieve greater competence. Now the geography of those who are coming into our service has narrowed down practically just to Moscow.

In the last few years the passing of a law on foreign intelligence was an important event for us: We obtained a legal basis for our work.

I would also like to note that there was absolutely no "witch-hunt" in the SVR. There was departyization, but during it nobody was asked for whom he voted in elections.

The USSR's disintegration gave rise to another question which was painful to those of our staff who had relatives and close friends in other states. Each was given the opportunity to choose his place of residence. Some made that choice.

[Guseynov] Have the priorities for foreign intelligence service activity changed?

[Kobaladze] Certain areas which could have been classed as leading areas have disappeared. For example, monitoring a sudden nuclear missile strike. It must be said that many people thought it strange that, by observing when the lights went out in the windows of, for instance, the British Foreign Office, it was possible

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to draw a conclusion regarding an impending nuclear strike on the USSR.

A new area appeared: economic intelligence. In the market economy conditions in which Russia lives I do not think there is any need to convince you of this question's importance.

Overall the intelligence service has become not only more compact but also more mobile.

[Samolis] In my view it was previously the intelligence service's duty to create advantages for the state over the ideological enemy. That is why it tried to influence the processes taking place in other countries. But now it is the intelligence service's role to help the state understand what is going on in the world, that is to say it is generally limited to collecting information. In a sense the main priority is to study the world but not to change it.

[Guseynov] You mentioned the difficulties experienced by the intelligence service in recent years and the personnel losses among your staff. But all these people are alive and well and living in their motherland without the fear of persecution. Surely the intelligence service has had many valuable agents and helpers outside the USSR, in Western states, and in socialist countries.

It is known that in a number of states, in particular the GDR, special services' archives have fallen into the hands of those against whom you were waging an uncompromising struggle all those years.

I would like to find out your opinion: How serious have our losses been, and could they have been avoided?

[Kobaladze] I want to say right away that, despite the friendly, confidential relations with our colleagues in socialist countries, we did not reveal agents' names to Markus Wolf, head of GDR intelligence, and he did not reveal them to us. This is a universal requirement of any intelligence service and it was strictly observed. But had the situation developed in such a way that fears for the archives' fate had arisen, meaning fear for some people's lives and honor, all measures would have been taken to evacuate the archives.

In intelligence, just as, I hope, in journalism, protecting sources of information is a fundamental question.

[Guseynov] As far as I can make out, previously the main motive for the Soviet intelligence service's helpers was ideological. What attracts people to cooperate with the SVR now?

[Kobaladze] Now it seems fairly typical of all intelligence services — money. But not only money. It could be sympathy for Russia.

There is also a political basis for cooperation. For example, today not everybody likes the Americans' monopoly. Including some of their closest allies. Some people fear the strengthening of Germany.

It must be said that there have always been such motives. For instance, the ideological beliefs of the famous Blunt, Maclean, or Kim Philby, whom I knew well, were quite far removed from those communist dogmas by which the USSR lived. Yuriy Modin, the last handler of the "Philby Five," recounted a conversation with Blunt when Blunt, having listened carefully to the Soviet intelligence officer, remarked: "There is no need to persuade me in favor of communism; I am well aware of what socialism in its Soviet form is and who Stalin is; but I consider it my life's purpose to serve the British working class and the ideals of justice." And these are the words of an English aristocrat!

[Guseynov] It is known that with the beginning of perestroyka many previously secret areas became open. Did the intelligence service's interests not suffer because of this?

[Kobaladze] In connection with the problem you are raising I would like to broach the question of our relations with the mass media.

I deeply respect our newspapers' desire to put the Russian official under constant pressure. Actually it is a normal, productive activity within the framework of a democratic society. I also understand their interest in the work of the law enforcement organs and special services, which were previously hermetically sealed against journalistic research.

But it is hard to justify the excesses which occurred in 1992, when, in an effort to defeat the Communist Party, sackfuls of information damaging to Russia's national security were brought out into the light of day.

I know of cases in which publications gave the names of living people who at the time were working at foreign stations. This ended the careers of honest people who were loyally serving the motherland. Nobody but nobody has been punished for this, and nobody has apologized.

[Samolis] Do not forget what kind of time it was. Even from deputies — people invested with great power — we heard calls to abolish the foreign intelligence service as such — for want of enemies. And to blow the money saved on patching numerous holes.

[Kobaladze] We also find it hard to forget the strange position declared by Boris Pankin, foreign minister at the time. He declared not to a narrow circle of people close to him but to the whole world that the intelligence

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service must be taken out of the Foreign Ministry structure because it was useless.

Another question on which we had to fight many battles was the use of diplomatic cover. Here I would like to cite the example of the United States. It is legislatively prohibited from using journalists for cadre work. Although a loophole was left here too in the form of a contract. Now Americans at the highest level are raising the question of the need to amend the relevant law.

I myself am an intelligence officer who has worked as a journalist, and I consider it one of the best covers. It is another matter (and an extremely delicate question) that an intelligence officer who is working for a well-known publication must fully appreciate the extent of his responsibility for the good name of the newspaper or television company. I know this from my own experience. When decisions were being taken on critical measures it was considered that on account of his vulnerability a journalist must not participate in them.

[Guseynov] You started to talk about the kind of losses our intelligence service has suffered in recent years. Judging from Western press information it was precisely at this troubled time that Aldrich Ames, an outstanding and possibly the best postwar agent, was recruited. There is increasing talk that the tip-off to the Americans came from us.

[Kobaladze] I want to say right away that we do not comment on whether a particular person belongs to our service. However, abstracting from your example I can say the following. The blowing of any agent becomes a matter for the most thorough investigation. And the scenario which you are talking about is also taken into account. But it is one thing to conjecture and quite another to firmly state that Ames was given away in Moscow. Here specific names in the foreign service leadership have been mentioned. I would call this unsubstantiated approach criminal.

In this context I would draw your attention to the fact that the scenarios regarding who gave Ames away and when come from the United States. That alone gives pause for thought.

Anyway, the key to this mystery is now in America. And the fairy tales which are being fed to the press (that Ames was buying expensive cars and that vigilant neighbors drew the FBI's attention to this) make professionals smile.

The Ames case caused a crisis in the U.S. special services and a harsh wave of criticism of them, and in an attempt to save face nonexistent negative character traits in Ames are being conjured up; it is claimed that he is an out-and-out scoundrel, a libertine, and a drunkard. In this context one is reminded of the characteristics attributed to the defector Gordiyevskiy. Believe me, there was much in common. But Oleg Gordiyevskiy, although he is a traitor, was in the professional sense a rather highly-skilled intelligence officer.

So it is now hard to believe the U.S. newspapers which are painting a vivid picture of the low professional standards of Ames, who, according to their scenario, could not have recruited even his own grandmother. One asks oneself how this person got promoted and why he was trusted with the most secret information.

[Guseynov] In connection with what you have said, does the question arise of what our state is doing to protect the interests of people who have gotten into trouble in certain circumstances?

[Samolis] We always try to rescue them, to help them. But I am convinced that those who were unmasked in the USSR thanks to Ames' evidence, as the Western press writes, should not have been executed. This is not to mention that execution is too high a penalty even for so great a crime as treason. At the end of the day there is life imprisonment. Were these people alive today it would have been possible to raise the question of an exchange in order to rescue the people who have loyally served us.

[Guseynov] Market laws, it must be supposed, dictate their own terms to a foreign intelligence service too. You said that the area of economic intelligence has been developed within the SVR framework.

[Samolis] By the end of the 20th century a state's share of the world economy and its priorities in specific sectors will have become its "business card." Therefore the preservation and strengthening of Russia's place in the world economy is one of the main objectives in ensuring economic security. That makes it one of the foreign intelligence service's main objectives.

[Kobaladze] In this context I would like to stress that this is precisely why economic intelligence is a priority area of Western special services' activity in their work against Russia. Here it emerges that, despite the enormous difficulties the country is experiencing, we have vast reserves of ideas, including those implemented ideas which people would give their right arm to get their hands on. I admit that I found it pleasing to learn that Russian scientists' developments are unique according to a whole range of indicators for military equipment, aviation, rocket building, and even computers.

Incidentally, in developed capitalist countries practically any major industrial corporation has its own economic

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intelligence system. These services' main task is to steal secrets from their competitors.

As regards our economic intelligence, the information obtained by us ends up on state organizations' desks. What to do with it is their problem.

Incidentally, disputes regularly arise in the United States: Should the U.S. intelligence service share secrets obtained by others with major corporations. In actual fact the intelligence service helps them.

I see nothing terrible in this. Moreover, I believe that, if a normal and not a cowboy bank is fighting its competitors in West Europe, for instance, there is no reason why we should not help it with relevant information.

[Guseynov] Especially as — and lately there have been plenty of such cases — attempts by Russian structures to enter foreign markets are encountering open resistance from competitors, who are using methods which are far from diplomatic.

[Samolis] It is another question that the state must stand between the intelligence service and a bank. The intelligence service must hand over the information it collects to the state. The state alone can decide how to use it and whom to give it to — maybe the same bank.

[Guseynov] Do you not fear that some nobody from a ministry apparatus will very primitively, but to his great benefit, sell your secrets to the bank which pays him the most?

[Kobaladze] Yes, we are afraid of that. After all, in intelligence a situation arises fairly often whereby in the event of even restricted circulation of information received the source is revealed. There have been cases in my personal experience whereby I sadly had to reject information I had heard only because its source could have been figured out fairly accurately. Better for it to remain unused than to blow a source.

Here is a specific example for you from contemporary life. A very substantial Russian ministry received our strictly confidential cipher cables addressed to the top man. But the system for storing them was such that they were virtually piled up all down the corridor. In addition their contents were included in departmental bulletins, which anybody can read. And you ask how Ames was unmasked!

Or here is another, maybe extreme, example, but one which paints a fairly objective picture of our archives' disorder. One Russian archive gave out a whole stream of documents to British journalist Tim Sebastian, which included strictly confidential documents. Including records of conversations between the USSR ambassador in London and Labour Party leader Neil Kinnock. One must know the British to understand that nobody, not even Margaret Thatcher, to whom Kinnock was in opposition, wanted this "surprise."

Extremely delicate questions were broached in these private conversations of the ambassador's, you see. Moreover, the record of the conversation made by embassy officials is not a verbatim record and can be interpreted in different ways.

Although the desire to make things secret in our services sometimes does exceed sensible limits.

[Guseynov] In your view, how can the West's recent "onslaught" against the SVR be explained? It is being methodically accused of stepping up intelligence activity by first the German, then the British, then the Polish, then the Czech, and then other special services.

[Samolis] There is no such stepping up of activity. On the contrary, since the end of the Cold War there has been a reduction. The countries listed and not listed by you are perfectly well aware of this. I think that this "onslaught," as you put it, is part and parcel of the general dissatisfaction with Russia, which is coming out of a state of euphoria and declaring its national interests. They do not like Russia's position on NATO, its role in the reintegration processes in the CIS, and much else. Political pressure is being exerted and public opinion is being massaged, notably by creating a certain image of intelligence. But it cannot be denied that it is hard to change the Cold War mentality.

[Guseynov] Your new director is not having an easy time. Incidentally, how has Vyacheslav Ivanovich Trubnikov "settled into" his new post?

[Samolis] I do not know what his own assessment of this is, but for the collective his appointment is the best-case scenario. He is a fine professional and an extremely well-educated and intelligent man whose benevolence is wonderfully combined with a demanding nature.

Throughout the four and a half years he worked in intelligence Yevgeniy Maksimovich Primakov had Vyacheslav Ivanovich as his first deputy. In my view they made a great team. Yevgeniy Maksimovich, knowing that everything in this life could change at any moment — for better or for worse — generally prepared himself to be replaced by Vyacheslav Ivanovich. So I do not think it was a difficult "entry."

[Guseynov] As far as I can make out the press bureau is a new service. What is its function and what are your objectives?

[Samolis] After August 1991 the reorganization of the foreign intelligence service was begun, and one of the

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proposals made by the new director was to give more openness, more glasnost to the SVR. Naturally, within the limits of what is possible for an essentially secret organization they proceeded from the premise that it was necessary to meticulously and by all means keep secret what was indeed a secret but not to make a secret out of what was not a secret. Russians must know what the foreign intelligence service does and what its role is in strengthening the country's security and protecting its defense capability. It was also a case of creating in the broad strata of the Russian public a favorable background for the intelligence service's successful work.

In fact, our visit to RABOCHAYA TRIBUNA is part of our work.

[Guseynov] Thank you for the frank and interesting conversation.

Federal Assembly

Russia: Duma Considers Amnesty for Chechen Gunmen

LD2904145596 Moscow INTERFAX in English 1258 GMT 29 Apr 96

[FBIS Transcribed Text] MOSCOW, April 29 (Interfax) — The Russian State Duma is considering the issue of an amnesty for Chechen gunmen. If the amnesty is announced, every gunman who wishes to use it will face an investigation to discover any involvement in serious crimes since 1994, head of the Duma Security Committee Viktor Ilyukhin (Communist faction) told Interfax Monday.

The chief condition for amnesty will be disarmament and further noninvolvement in hostilities. "The amnesty will also require information on possible involvement in serious crimes," stressed Ilyukhin. The Chechen law enforcement bodies will carry out the investigations, he said.

Amnesty for those Chechen separatists facing criminal proceedings instituted by the Russian Prosecutor General's Office, military investigators, and the Federal Security Service will be considered by federal departments, said Ilyukhin.

"It would be very difficult to make absolutely sure that a person did not commit crimes, bearing in mind all these hostilities," said Ilyukhin. He does not exclude the possibility that some mistakes may be made. However, if the amnesty helps peace, it must be announced, said the committee chairman.

Ilyukhin does not rule out a pardon for mercenaries and contracted soldiers who have fought on the Chechen side. "We should think about the possibility of their amnesty and its relation to Russian legislation," said the official.

The Duma may consider the amnesty on May 17, Ilyukhin told Interfax some time ago.

Russia: Starvation in Military Linked to Chechnya Operation

MK2604121396 Moscow SEGODNYA in Russian 26 Apr 96 p 2

[Report by Yuriy Golotyuk: "The Russian Federation State Duma Is Concerned About the Level of Supply in the Military. Deputies Demand Punishment for Those Guilty of 'Malnutrition Among the Troops'"]

[FBIS Translated Text] Yesterday the Russian State Duma asked Russian Federation General Prosecutor Yuriy Skuratov to "initiate criminal proceedings following the death of Russian servicemen from starvation." A resolution, adopted in principle, stresses the need "to prosecute [a number of] officials, including the Russian Federation finance minister." The deputies noted that food and clothing supply problems have already resulted in the death of several servicemen, in particular in the Far East Military District. Owing to a chronic shortage of funding, the military in effect lives on credit, and its debt is constantly growing (according to SEGODNYA sources, a month ago the debt to suppliers totaled 2 trillion rubles).

According to Colonel General Vladimir Churanov, chief of the Armed Forces Logistics Service, who addressed the Duma plenary session, the military emergency rations, which may be used only in extreme circumstances, have now been expended by 40 percent because "peacetime rations have in effect been used up." According to the general the Defense Ministry's debt to suppliers is 1.1 billion rubles. Of the 8.2 trillion rubles required for food supplies in 1996, only 6.1 trillion, or 73 percent, was provided (that is to say, considering inflation, only enough for less than nine months). True, even these funds are coming unevenly: Thus, in April, of the 500 billion rubles needed for food supplies, the Armed Forces received only 67 billion. Churanov said that "in some garrisons, instead of bread, servicemen are issued rusks and that in place of fresh meat and vegetables they receive canned food." The only way out of this situation, the Defense Ministry leadership believes, is to "use emergency rations again." The situation with clothing supplies is also deplorable: Churanov predicted that "in the second half of the year we will be able to clothe one serviceman in three and will have to stop the issue of warm clothing altogether."

According to our sources a substantial part of military expenditures today goes for the continuation of the

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operation in Chechnya (Churanov told SEGODNYA that the Defense Ministry's aggregate expenditures on logistics for units in the conflict zone alone have already exceeded 1 trillion rubles). During the military campaign, approximately 30,000 tonnes of foodstuffs, more than 100,000 sets of clothing, and 600,000 tonnes of fuel have been shipped to Chechnya.

Based on its discussion of the situation with material supplies for Defense Ministry units, the State Duma recommended to the Russian Federation Government "to ensure food and clothing supplies for the Armed Forces in full volume under the 1996 budget." The resolution also invites the Cabinet of Ministers to consider the possibility of increasing expenditures for military food supplies this year by 4 trillion rubles and for clothing supplies, by 6.35 trillion. The parliamentarians asked the Russian Federation president to order the Chief Comptroller's Office to investigate the instances of death from starvation and to submit its findings to the State Duma.

Russia: Deputies View Plight of 'Underfunded' Agriculture

MM3004085196 Moscow SELSKAYA ZHIZN in Russian 27 Apr 96 p 1

[Article by Yuriy Savin under the rubric "In the State Duma": "The 1996 Budget: Not Being Straight With Agriculture"]

[FBIS Translated Text] "I do not share Vice Premier Aleksandr Zaveryukha's optimism regarding the spring sowing and this year's harvest." This opinion was expressed by State Duma Budget Committee Deputy Chairman Gennadiy Kulik at a press conference given 24 April by a group of agrarian deputies. Peasants will sow their crops, of course. The only question is when, how they will be able to feed them, and what agricultural practices their available equipment, fuel, and other resources will allow them to observe. The situation with resources in general is bad. There is no money, so the only thing farmers can do is hope that the heavens are kind to them and that nature is lenient.

The federal budget is an unreliable assistant. One deputy described the financing figures presented by the Russian Federation Finance Ministry as hypocritical. Specialists from 9, Neglinnaya Ulitsa are trying to persuade us that agriculture received 2.6 trillion rubles [R] in the first quarter, or more than 90 percent of the promised amount. However, agrarians are convinced that only R400 billion in real money has actually been allocated. This represents a mere 0.4 percent of the quarterly state budget expenditure. We should recall that the figure was 19 percent in 1991, 9 percent in 1994, and 3.8 percent last year. In view of this, any talk of support for the agro-industrial complex is simply laughable.

Nevertheless, where does the figure of R2.2 trillion in the Finance Ministry report come from? Why is it not acknowledged by Russian Federation Comptroller's Office Chief Auditor Sergey Openyshev, who took part in the press conference? The answer: Because the roots of these trillions lie in last year's state pledges and in fact only partly cover the government's debts to agriculture.

What happened is this. Last year, the government failed to honor its pledges to repay loans issued earlier for the purchase of food. The sum in question was just over R5 trillion. Instead of complying with the law, the authorities forced the Ministry of Agriculture and Food to agree to issue credits to buy food with the help of bank loans. Commercial banks provided the money on a short-term basis. The firms which received the credit were either unwilling or unable to quickly sell the food they bought, or they used the money for other purposes entirely....

To cut a long story short, this money never reached the agricultural commodity producer. The time came for settling up with the commercial banks. The solution was to clear these debts at the expense of budget payments to agriculture.

"The government's inability to keep to the budget is essentially being financed" at the expense of agriculture, G. Kulik said, assessing this step. Entire sectors, poultry farming included, are on the brink of collapse as a result, Deputy Svetlana Naychukova complained.

In fact, the policy of infringing agriculture's interests in the federal budget is still continuing. In S. Openyshev's opinion, agriculture was underfunded by R4.5 trillion in the 1994-1995 budgets. From 1992 through 1995 only 20 percent of farmers' applications for investment credits were met. Even the financing of very important targeted programs incorporated into plans is being disrupted. The investment process in agriculture has virtually ground to a halt.

New steps taken by the authorities also jeopardize measures announced at the top to give financial support to agriculture. The government recently adopted a decision whereby the use of all nonmonetary forms of tax and other payments to the federal budget, including commodity credit and tax exemptions, will cease as of 1 May. However, the farmers' supply of fuel and mineral fertilizers (albeit meager) relies on this kind of financial approach. Deputies were concerned that this too would be given up for lost.

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You can understand the bitter words spoken at the press conference by Nikolay Kharitonov, leader of the agrarian group in the State Duma: While taking away the very last crumbs of finance from our own peasants, the leadership generously supports foreign producers of agricultural goods. Our agrarians are not asking for the impossible. Agriculture should be given what it is entitled to by law. No more, but no less either. The peasantry has a right to this: Last year, enterprises in the food industry and the agricultural sector contributed some R20 trillion to budgets at all levels. The state plans to take even more from them this year.

Regional Affairs

Russia: Yandarbiyev Killed in Urus-Martan 'Gangland War'

LD2904112896 Moscow ITAR-TASS in English 1101 GMT 29 Apr 96

[FBIS Transcribed Text] MOSCOW, April 29 (Itar-Tass) — Acting President of Dudayev's "Republic of Ichkeria" Zelimkhan Yandarbiyev who, as reported by representatives of the government of the Chechen Republic, was killed late on Sunday or early on Monday near Urus-Martan, had a reputation of the chief ideologue of the separatist movement in Chechnya.

Yandarbiyev was born in Kazakhstan in 1952 and graduated from the Chechen-Ingush State University in 1981. From 1981 to 1989, he was a proof reader and then head of the production division of the Chechen-Ingush book publishing house. In 1989, Yandarbiyev "took up politics" and headed the political organisation Bart, which, together with other Chechen nationalist parties, formed the National Congress of the Chechen people (OKChN) in 1990.

Yandarbiyev was deputy chairman of the executive committee of the National Congress which was led by Djokhar Dudayev.

In 1990, Yandarbiyev organised and headed the Vaynakh Democratic Party.

In 1995, Yandarbiyev was active in the toppling of the Supreme Soviet of the Chechen-Ingush Republic with Doku Zavgayev at the head.

From 1991 to 1993, Yandarbiyev was chairman of the pro-Dudayev "parliament's" committee for the mass media, book publishing and printing.

From April 1993 to April 1996, Yandarbiyev was Vice-President of the "Chechen Republic of Ichkeria."

In April 1996, after the death of Djokhar Dudayev, Yandarbiyev was entrusted with the office of the acting President of the so-called "Chechen Republic of Ichkeria."

When the armed conflict began in Chechnya, Yandarbiyev took no part in armed hostilities and in fact kept a very low profile, disappearing from sight most of the time.

After he was appointed successor to Dudayev, prominent Russian human rights champion Sergey Kovalev called Yandarbiyev "the worst variant for Chechnya." According to him, it would be much easier to negotiate with Maskhadov or Basayev than with "a person who stays in the shadow but voices the most extremist views."

Earlier today, prefect (administrator) of the Achkhoy-Martan district of Chechnya Shamil Burayev indirectly confirmed in a telephone conversation with Itar-Tass that Zelimkhan Yandarbiyev, acting "President of the Republic of Ichkeria", had been killed.

The Achkhoy-Martan district borders on the Urus-Martan district where the village of Gekhi is located — according to preliminary information which prefect Burayev had, Yandarbiyev was killed in that village last night.

"According to my information, the killing of Yandarbiyev is connected with a gangland war among the militants which has been going on for some time in the Urus-Martan district," Shamil Burayev said.

He said the last major gathering of pro-Dudayev separatists had taken place late in the evening on Sunday not far from the village of Gekhi, 25 kilometers southwest of Groznyy. The gathering was led by Doki Makhayev, an officer of the Dudayev leadership's security service.

"News about Yandarbiyev's death became known in the morning but there has been no official confirmation of the fact," Shamil Burayev said.

The village of Gekhi is situated 5 kilometers north of Gekhi-Chu near which Dzhokhar Dudayev was wounded and died late on April 21 or probably in the early hours of April 22.

Russia: Yandarbiyev Aide Says Death Reports 'Absolutely Groundless'

LD3004123196 Moscow ITAR-TASS in English 1217 GMT 30 Apr 96

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY April 30 (Itar-Tass) — Chechen rebels denied that their acting president Zelimkhan Yandarbiyev had been killed, while a spokesman of the pro-Moscow government of Chechnya said that Yandarbiyev had anyway quit the political arena, whether alive or dead.

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An aide of Yandarbiyev, who spoke on conditions of anonymity, told Tass on Tuesday that reports about the death of his boss were "absolutely groundless".

Speaking outside the village of Salazhi, the aide said that Yandarbiyev was "alive and working in a normal regime", although it was not clear whether he had personally seen him.

The aide also denied reports about any clashes between the warring Chechen militants, in which Yandarbiyev was reportedly killed. He also did not confirm reports about an alleged death of Yandarbiyev's nephew.

The aide seemed to base his rejections on the fact that none of Yandarbiyev's relatives in Starye Atagi had announced a mourning ceremony as it should be done according to Muslim rules no matter where the dead body was.

Dead or alive, Yandarbiyev has quit the political arena, according to pro-Moscow government spokesman Ruslan Martagov, who broke the news about alleged Yandarbiyev's death on Monday.

He still believes that Yandarbiyev had been killed because he had not appeared in public for a whole day since reports about his death appeared.

"The withdrawal of Yandarbiyev from the political arena, following Dzhokhar Dudayev, can be considered as a fact", Martagov told Tass adding that "the physical death was not necessary for that".

In the meantime, a Chechen rebel commander said that Yandarbiyev remained in command of the separatists.

Daud Akhmadov, 52, who is considered to be among the close entourage of Yandarbiyev, told Tass on Tuesday that "according to the constitution of the Chechen republic of Ichkeria the commander-in-chief of the armed forces is the president of the republic. At present all the powers of the president, prime minister and the commander-in-chief have been entrusted to vice-president Zelimkhan Yandarbiyev".

On Monday a separatist source said chieftain Shamil Basayev had taken over the powers of the commander-in-chief.

Akhmadov said he was convinced that the situation in Chechnya could be solved only through peace talks "which would be based on the real wish of Moscow to take into account the will of the Chechen people".

Russia: Zavgayev Cited on Yandarbiyev's Death, Split in Ranks

LD3004115696 Moscow ITAR-TASS in English 1059 GMT 30 Apr 96

[By Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW, April 30 (Itar-Tass) — Head of the Chechen republic Doku Zavgayev told journalists in the Kremlin today before a meeting of heads of Russia's republics with the President that he did have information about the death of Zelimakhan Yandarbiyev, but stressed that it needs to be verified.

In connection with a possible death of Dudayev's successor, Zavgayev said that there were signs of a split in the ranks of Chechen illegal armed formations which he described as "a struggle for the booty". "In fact, a major deal of settling scores is under way involving the use of firearms and death of the people," Zavgayev said. Nevertheless, he noted that the situation in Chechnya was changing for the better, adding that a constructive process of reaching peace was under way.

Despite the fact that legitimate authorities are coming into power in all regions of the republic, "none of them is guaranteed against a mobile gang of militants who might break through," Zavgayev said. He pointed out that militants were continuing terrorist acts, one of the last of which had been an explosion of the railway in the city of Argun. "Such incidents will accompany for some time the peace process," Zavgayev admitted.

Commenting on restoration works in Chechnya, Zavgayev said that they were going ahead at a slow pace since financing had not yet begun. However, the federal authorities have assured that financing would begin in May, Zavgayev said. Speaking on the topic of the peace talks Zavgayev said that meticulous individual work was needed here. Zavgayev believes that there is no definite person or group now to hold talks with who might influence the situation in Chechnya.

Zavgayev told journalists, commenting on a possible visit to Chechnya by Boris Yeltsin, that he was aware of a principle decision made by the president to visit Chechnya, but gave no more comments.

Russia: Chechen Opposition TV Fails To Report Yandarbiyev Death

LD3004105596 Moscow INTERFAX in English 1001 GMT 30 Apr 96

[FBIS Transcribed Text] SOUTH CHECHNYA, April 30 (Interfax) — Chechen separatists' television has neither confirmed nor denied reports of the death of

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Dzhokhar Dudayev's successor, Zelimkhan Yandarbiyev.

The Monday evening transmission mentioned neither the alleged death of Dudayev's successor nor the reported armed clash in Urus-Martan on Sunday evening during which Yandarbiyev is said to have been killed, according to an Interfax reporter.

The opposition television announced Dudayev's death two days after it occurred.

The programs are received in Chechen mountain communities.

Russia: Chechen Diaspora Said To Confirm Yandarbiyev Death

MM2904140896 Moscow IZVESTIYA in Russian 30 Apr 96 p 1

[Report by Elmar Guseynov under the general headline "Has Yandarbiyev Followed Dudayev?"]

[FBIS Translated Text] The report of Yandarbiyev's death is confirmed by informed sources from the Chechen diaspora in Moscow which received confirmation of this directly from the rebel republic through their own channels. People who knew Yandarbiyev well describe him as a fanatical supporter of Chechen independence and as the author of the actual idea. Yandarbiyev was considered an inflexible and a rather inexperienced politician who was considerably inferior to Dudayev in terms of these qualities. There is conjecture that it was Yandarbiyev who, following Dudayev's death, was the keeper of documents capable of compromising many influential politicians in Moscow. IZVESTIYA's sources do not rule out the possibility of treachery among the Chechen leadership, to which Dudayev and Yandarbiyev could have fallen victim. Here the participation in recent events of the Russian special services, which have been hunting the leaders of Ichkeria, is being assumed. In the opinion of our source, who knew both Dudayev and Yandarbiyev well, when the war started the latter deliberately receded into the background since he was practically unfamiliar with warfare and he furthermore considered such a position more comfortable for himself in the political respect.

Russia: Basayev Said Appointed Before Yandarbiyev's Death

LD2904144396 Moscow ITAR-TASS World Service in Russian 1417 GMT 29 Apr 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Moscow, 29 Apr (ITAR-TASS) — Field commander Shamil Basayev, who led the attack against Budennovsk last June, has been appointed commander in chief of the armed forces of the "Republic of Ichkeria", an ITAR-TASS correspondent learned from the pro-Dudayev camp.

According to sources close to the separatists, this decision was made at a council of the pro-Dudayev top commanders in Urus-Martan district in Chechnya yesterday. The sources stress that Basayev's appointment was made before the murder of Zelimkhan Yandarbiyev, who became the head of the Chechen separatists after Dzhokhar Dudayev's death.

Russia: Basayev 'Highly Undesirable Figure' for Peace Process

LD2904170396 Moscow ITAR-TASS in English 1657 GMT 29 Apr 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, April 29 (Itar-Tass) — Chechen field commander Shamil Basayev is a highly undesirable figure for the participation in the peace talks between Moscow and Chechen rebels on the settlement in Chechnya, a high-ranking official said.

In an interview with Itar-Tass on Monday, Sergey Stepashin, executive secretary of Russia's state commission for the settlement in Chechnya, said that the commission will discuss the situation following reports about the death of Chechen separatist leader Zelimkhan Yandarbiyev at its session to be chaired by Russian Vice-Prime Minister Vladimir Kadannikov on Tuesday.

Stepashin said that "there is no verified information that Yandarbiyev has died, as reports from Chechnya claim, and the Ministry of Nationalities and Federative Relations will check it today."

In particular, Stepashin and Minister of Nationalities Vyacheslav Mikhaylov plan to meet a group of officials who have arrived from Chechnya today to learn additional facts related to the issue.

Russia: Zavgayev Representative Meets With Maskhadov 29 Apr

LD3004122696 Moscow ITAR-TASS in English 1151 GMT 30 Apr 96

[By Alvi Karimov]

[FBIS Transcribed Text] GROZNYY April 30 (Itar-Tass) — Chechen separatist chief of staff Aslan Maskhadov met a personal representative of pro-Moscow Chechen leader Doku Zavgayev in Groznyy suburbs on Monday, according to Zavgayev's spokesman Ruslan Martagov.

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He told Tass on Tuesday that the meeting focused on "issues of a peaceful settlement in the Chechen republic" and that an agreement had been reached that such meetings should continue.

Martagov did not name the representative and gave no other details.

***Russia: Support for Opposition Parties in Subsidized Regions Assessed**

964F1818A Moscow ROSSIYSKIYE VESTI (POLITICHESKAYA SREDA SUPPLEMENT) in Russian 10 Apr 96 No 2, p IV

[Article by Aleksey Lavrov, associate of the Center for Regional Studies: "Why Subsidized Regions Vote for Communists or Myths of Russian Budget Federalism"]

[FBIS Translated Text] The results of the 1995 elections confirmed once again a pattern that has appeared in past election campaigns: The greater the region's dependency on the federal budget, as a rule, the more votes the opposition parties garner there. And, conversely, democratic and centrist parties and movements on average enjoy more support in financially strong regions.

Facts

This pattern is manifested most clearly when one compares the budget situation of a component of the Federation and the results of voting in the general federal district separately for the various republics, krays and oblasts, and autonomous okrugs (Table 1).

Table 1

	Share of votes received by four major parties in 1995 elections, percentage			
	NDR	Yabloko	CPRF	LDPR
Republics				
unsubsidized	21.0	4.2	21.2	4.7
less subsidized	13.8	3.6	17.6	6.8
subsidized	7.8	4.4	19.9	12.9
moderately subsidized	11.8	2.6	29.7	12.1
highly subsidized	16.1	1.0	36.2	3.1
Krays and oblasts				
unsubsidized	13.0	11.1	16.0	7.4
less subsidized	10.2	7.2	20.9	10.7
subsidized	6.9	7.0	23.4	14.2
moderately subsidized	5.9	4.4	29.5	14.5
highly subsidized	—	—	—	—
Autonomous okrugs:				
unsubsidized	16.7	5.8	7.3	15.2
less subsidized	—	—	—	—
subsidized	—	—	—	—
moderately subsidized	9.8	5.0	9.8	15.6
highly subsidized	8.5	3.6	18.0	12.9
Russian Federation	10.1	6.9	22.3	11.2

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In the largest and therefore the most representative group of "Russian" components of the Federation (krays, oblasts, and the cities of Moscow and St. Petersburg) in the movement from unsubsidized to moderately subsidized regions there is a steady decline (by a factor of more than two) in the proportion of votes in support of NDR [Russia Is Our Home] and Yabloko and a twofold increase in the proportion of votes in favor of the CPRF [Communist Party of the Russian Federation] and the LDPR [Liberal Democratic Party of Russia]. In the republics and autonomous okrugs the picture is somewhat more "smudged" but the overall tendency toward strengthening of the positions of the Communist Party as the degree of the region's subsidization increases is quite apparent here as well.

Typology

Understandably, the figures obtained and the pattern derived on their basis depend on the method by which the components of the Federation were divided into groups with various budget situations. The initial data for this typology and its results are given in Table 2.

The group of unsubsidized regions included 11 components of the Federation which in 1995 did not have the status of "needy" or "especially needy" of support and, consequently, did not receive the transfers from the federal fund for financial support of components of the Federation distributed according to a special formula. As is clear from the table, for these regions the proportion of federal receipts into budget revenues is less than 5 percent. The only exception is Moscow which, being a financially powerful component of the Federation (suffice it to say that its contribution to the formation of federal budget revenues is almost 50 percent), receives targeted funds for the performance of "capital" functions.

Included in this same group was the Republic of Tatarstan which, although it had the status of a "needy" region, actually did not take advantage of it because it received additional deductions from federal taxes in compliance with an agreement concluded with the Government of the Russian Federation. (A similar procedure was in effect with respect to Bashkortostan and Yakutia as well, and the latter formally had the status of a region "especially needy" of support. As for other components of the Federation which by now have signed agreements for division of authority and objects of management with the Federal Center, in 1995 they received—or did not receive—transfers on a general basis.)

The other components of the Federation (with the exception of Ingushetia and Chechnya, which have special conditions) were divided into four groups: Those with low subsidies included regions for which federal aid of all kinds, according to preliminary results of 1995, amounted to less than 10 percent, subsidized—from 10 to 20 percent, moderately subsidized—from 25 to 50 percent, and highly subsidized—more than 60 percent.

An additional indicator of the budget situation of a component of the Federation might be the proportion of taxes deducted into its budget in the overall sum of tax revenues for the given territory. From Table 2 it is clear that some regions "keep" for themselves 75-80 percent of the taxes collected on their territories (and Yakutia keeps all 100 percent), while others keep 50-55 percent. These differences are partially explained by the peculiarities of the tax base of each region, but mainly it is the character of relations between the region and the federal center. As a rule a higher proportion of the taxes are transferred to their own budgets by the "needy" and "especially needy" regions (in coordination with the Ministry of Finance they receive some of the transfers due them from additional deductions from the value-added tax) and also republics with "special" relations with the federal budget.

If we compare the sum of tax revenues from a region into the federal budget with the overall volume of financial aid for the region we can obtain a conventional balance of financial flows between the center and the component of the Russian Federation. For regions which "give" more to the federal budget than they "receive" it is positive and for all others it is negative.

As the degree of subsidization of the regions increases this indicator drops, as might be expected. For example, in 1995 from the territory of the Yamalia the per capita amount of taxes that went into the federal budget was R9.5 million more than was "returned" to the district budget (this is the best result in the country). On the other hand, from the territory of Koryakia the per capita amount that went into the federal budget was R6.7 million less than the total amount of federal aid to the district budget.

Explanation

There is nothing surprising in the fact that subsidized regions are inclined to support "antireformist" rather than democratic parties.

Subsidized regions are, as a rule, economically underdeveloped territories which frequently do not have large cities and have higher proportions of rural population. And residents of villages and hamlets, settlements, and small cities everywhere are less receptive to social innovations, they find it more difficult to adapt to changes in social life, they do not have a good understanding of promises and real acts of various political forces,

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and in general they are not inclined to change their ideas rapidly. Under Russian conditions they depend to a considerably greater degree than city dwellers on local leadership, which is by no means burning with desire to move real reforms into the Russian hinterland. This is why they have strong conservative attitudes.

Financially strong regions, conversely, are territories with large-scale industry and a high proportion of urban population, which makes up the basis of the democratically inclined electorate.

The rather large exceptions to the previously acknowledged general rule also speak in favor of this explanation. For example, in the unsubsidized Lipetsk Oblast the NDR received 8 percent of the votes and the CPRF—29 percent, while in the moderately subsidized Novgorod Oblast these figures were 11 percent and 18 percent, respectively. And if one takes into account the fact that in Lipetsk Oblast 63 percent of the population is urban and in Novgorod Oblast it is 71 percent, everything falls into place.

Of course, one cannot rule out the influence of other factors either. Thus the region's stable budget position could be conditioned by its economy's more successful adaptation to the new conditions. In such regions enterprises operate better, the income of the population is higher, there are fewer unemployed, etc. And the subsidization of a number of industrially developed regions is a result of a crisis in their economy, which has a painful effect on the local population.

Take, for example, Novosibirsk Oblast, which was previously one of the best, including with respect to the budget. Today it is a subsidized, economically depressed region whose industry, which is science-intensive and oriented toward the needs of the military-industrial complex, is in a state of crisis. Thus 21 percent of the votes were cast for the CPRF and 18 percent—for the LDPR, and the proportion of urban population here (which is, moreover, concentrated in the largest cities of Siberia) is high for Russia—74 percent.

Thus subsidization of a region in and of itself exerts a direct influence on the political preferences of the electorate (the majority of Russians would hardly guess what type of region they live in with respect to budget support). This is only one of the many indicators that characterize interregional differences in the level of economic development, the social composition of the population, and, possibly, the economic situation. But the problem itself deserves consideration on a broader plane.

Myths

For any federation questions of budget structure and interbudget relations are among those that can be used to greatest advantage in various kinds of political campaigns. There is nothing so terrible about that; the important thing is to make sure that a constructive discussion of these extremely complicated problems is not replaced, to paraphrase Ilf and Petrov, "by long, politically illiterate slogans."

Although Russian budget federalism is still very young (it is only two years old) it has already managed to produce various kinds of myths and potentially dangerous deceptions, from which many leaders of the regional and sometimes also the federal level glean their ideas about these problems.

First myth. "In Russia there about 10 donor regions and the rest are their dependents." Several misconceptions and out-and-out mistakes are mixed together here.

In the first place, why just 10? It is assumed that approximately the same number of Russian regions do not have the status of "needy" or "especially needy" of support. But among the "needy" regions there are some that are every bit as good as the so-called "donor" regions in terms of the basic parameters of interaction with the federal budget.

In the second place, formally the "donors" are all regions with a positive balance of financial flows (and there are more than 60 of these) since, in spite of their being subsidized, all of them "give" the Federation more than they receive through various interbudget channels. It is another matter that so far this balance is far from complete: Up to this point we do not know how direct expenditures from the federal budget are distributed among the various regions. For example, we do not know how much federal money goes for wages of Moscow bureaucrats or what part of the federal subsidies of the coal industry goes, say, to he Kuzbass and what part goes to Vorkuta. One would hope that the establishment of the federal treasury with its territorial subdivisions would help to clarify the situation—and we must be aware of it, if we want to have a substantiated regional policy. A show of the "donorship" of almost any region (with the possible exception of oil and gas producing autonomous okrugs) is supported by almost nothing.

Finally, in the third place—and this is the most important thing—the division of regions into "donors" and "dependents" within the framework of a unified state has no meaning at all. The economic potential of any region was created and is being created over decades through the efforts of the entire country. After all, for

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example, before the oil and gas fields of Western Siberia began to produce a return immense amounts of money were invested in them, including at the expense of the currently subsidized regions. This potential can "work" only in a unified economic space. On the other hand, the history and geography of country, which has no analogs in terms of the scope of internal differences, have turned out so that certain regions for reasons beyond their control are in need of federal aid and will continue to need it for a long time to come. In a real federation there are no "donors" and "dependents," there are equal components of the federation with various amounts of budget support and various financial potentials.

The second myth. "Budget federalism is when the regions dispose of almost all the money."

Russia even now has an extremely decentralized budget system. While at the end of the 1980's, according to estimates, the regions accounted for less than 40 percent of the budget funds, today this figure is about 50 percent, and for tax revenues—almost 60 percent. In terms of these parameters Russia is no longer behind or may even be ahead of the majority of federations. For example, in Australia the states receive only 20 percent of the tax revenues, in the United States—45 percent, and the provinces of such a decentralized federation as Canada receive about 50 percent.

These countries have long understood that decentralization of the budget system is not an end in itself. It has its economic and political limits, beyond which it leads to a reduction of the effectiveness of state power and sometimes to a threat to the country's integrity. The essence of budget federalism is by no means to indiscriminately increase the regions' share of budget revenues but to organize effective interaction and cooperation of two equal parties in the financing of the functions assigned to them.

Third myth. "The regions pay taxes to the Center." In fact only taxpayers, that is, enterprises and citizens, can pay taxes into budgets at various levels—from local to federal—and regions as such cannot, and the region's leaders certainly cannot. It is the regional authorities that receive federal transfers, and it is much more useful to discuss the question of how effectively and in whose interests they are used.

Fourth myth. "Moscow collects too much in taxes from us—the regions." The situation is just the opposite. At the present time most of the budget revenues of the regions are formed from deductions from federal taxes. The role of regional and local taxes undoubtedly must increase, but this is the way it is so far. And federal taxes, regardless of where they are collected, "belong" to the Federation. Therefore at the present time it is the Federation that shares its income with the regions so that the regional authorities can perform their functions better.

Fifth myth. "There are too many subsidized regions in Russia." This refers to the fact that more than 70 components of the Federation receive transfers from the fund for support of the regions. Under this pretext it is sometimes even suggested that we return to the former "Soviet" system where each year individual norms were set for each region for deductions from the main taxes. In this system there were indeed almost no subsidized regions, but it was at the expense of reducing revenues of the higher budgets. And nobody knew what expenditures the Center would "approve" for the region and what part of the collected taxes it would be allowed to transfer to its budget for the next year.

The problem is not that almost all components of the Federation receive transfers from the federal budget. That is the way it should be, for joint (shared) participation of the Center and the regions in the financing of expenditures that are of nationwide significance and are regionally "attached" is one of the generally recognized principles of budget federalism. The problem is that federal funds should go for specific purposes and be distributed on the basis of clear-cut criteria and procedures. And we do not have this so far. A pro forma reduction of the number of subsidized regions (for this it would be sufficient to "adjust" the norms for deductions from federal taxes individually for each region) will not solve this problem.

It would be quite possible to continue this list. But we certainly would not want it to be supplemented by assertions like "We have paid the subsidized regions enough, they will vote for the Communists in any case." To accuse the subsidized regions of "excessive" opposition is tantamount to blaming them for their small proportion of urban population or their low level of socioeconomic development.

Prospects

The dependencies that were revealed from the results of last year's parliamentary elections are not a basis for a "post mortem" but another occasion to draw public attention to the crucial problems of Russian budget federalism.

This is one of the most important areas for the construction of a new Russian state. And we have already managed to achieve obvious progress here. The reform of interbudget relations conducted in 1994 raised the interaction between the Center and the regions to a qualitatively different level. There are still many shortcomings and bottlenecks in this sphere. But the very discussion

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of them and the search for solutions based on criteria and approaches that lend themselves to reasonable explanation and substantiation and not the results of an "behind-the-scenes" struggle for redistribution of budget resources, as has been the case in the past, have become possible because of this reform.

At the same time, by now the positive potential of the first stage of the establishment of the Russian model of budget federalism is almost exhausted. We need new consolidated norms (one of them is the adoption of the Tax Code, which has now been submitted for discussion by the State Duma). We should not try to figure out who is living at whose expense—we will not succeed in any case—but work together to develop effective, mutually acceptable ("transparent") mechanisms for mitigating our inherited budget disproportions and search for compromises between the interests of the country as a whole and individual regions, and among regions with various degrees of budget support.

But the main thing is that it is necessary to use interbudget mechanisms to create incentives for real reforms at the regional and local levels and take them to the point where they produce concrete results for each individual. Then not only the financially strong but also the subsidized regions will return to the "pro-reformist" political forces.

Table 2.

Component of the Federation	Indicators of budget position of regions		
	Proportion of revenues from federal budget in budget revenues of regions, %	Proportion of taxes "left" for the region, %	Conventional balance of financial flows per 1 individual, thousands of rubles
Unsubsidized			
Bashkortostan	0.2	74	597
Tatarstan	0.9	77	469
Krasnoyarsk Kray	1.0	65	1,038
Lipetsk Oblast	1.1	60	967
Nizhniy Novgorod Oblast	1.1	52	1,056
Samara Oblast	1.2	52	1,478
Sverdlovsk Oblast	2.1	57	1,128
Yaroslav Oblast	2.9	52	1,137
Moscow	6.7	54	2,817
St. Petersburg	0.4	55	1,237
Khanti-Mansia	0.4	40	9,297
Yamalia	1.2	45	9,480
Low subsidies			
Republic of Sakha (Yakutia)	9.0	100	-295
Belgorod Oblast	7.1	58	800
Vladimir Oblast	9.2	58	549
Volgograd Oblast	4.8	60	688
Vologda Oblast	7.8	66	625
Irkutsk Oblast	4.8	64	885
Kursk Oblast	7.4	63	428
Leningrad Oblast	10.0	60	660

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	Indicators of budget position of regions		
Moscow Oblast	7.3	51	1,096
Orenburg Oblast	9.0	58	627
Perm Oblast	5.7	53	1,114
Ryazan Oblast	3.7	59	608
Tyumen Oblast	8.0	65	840
Chelyabinsk Oblast	4.2	62	812
Subsidized			
Karelia	15.1	67	295
Republic of Komi	16.4	58	1,046
Udmurtia	14.5	62	469
Khakassia	13.0	76	221
Chuvashia	20.0	68	144
Krasnodar Kray	10.8	61	455
Maritime Kray	17.9	61	519
Arkhangelsk Oblast	12.0	70	345
Voronezh Oblast	15.7	61	358
Kaliningrad Oblast	15.5	63	437
Kirov Oblast	16.0	64	307
Murmansk Oblast	12.8	64	701
Novosibirsk Oblast	16.9	67	395
Omsk Oblast	18.6	64	469
Rostov Oblast	15.8	59	418
Saratov Oblast	13.3	62	375
Smolensk Oblast	10.7	64	381
Tver Oblast	16.3	60	437
Tomsk Oblast	12.4	57	1,181
Tula Oblast	11.7	63	443
Ulyanovsk Oblast	13.8	59	486
Moderately subsidized			
Adygea	42.7	66	-100
Buryatia	34.6	78	-248
Kabardino-Balkaria	44.6	77	-318
Karachay-Cherkessia	45.1	66	-131
Republic of Mari El	29.5	73	-266
Mordvinia	33.3	72	-159
North Ossetia-Alaniya	39.5	66	-345

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	Indicators of budget position of regions		
Altay Kray	38.7	73	-164
Stavropol Kray	25.3	59	306
Khabarovsk Kray	23.7	65	332
Amur Oblast	28.5	67	86
Astrakhan Oblast	26.0	63	201
Bryansk Oblast	24.2	63	238
Ivanovo Oblast	28.9	64	141
Kaluga Oblast	21.8	62	316
Kamchatka Oblast	34.3	74	-311
Kemerovo Oblast	25.5	74	107
Kostroma Oblast	44.0	61	-90
Kurgan Oblast	20.9	70	141
Magadan Oblast	26.4	67	-137
Novgorod Oblast	23.2	66	208
Orel Oblast	34.8	60	134
Penza Oblast	27.1	65	129
Pskov Oblast	29.0	68	74
Sakhalin Oblast	29.0	71	4
Tambov Oblast	25.3	65	115
Chita Oblast	23.5	72	98
Nenetsia	30.9	70	42
Taymyria	20.3	73	341
Evenkia	47.7	79	-2,725
Highly subsidized			
Republic of Altay	74.7	67	-791
Dagestan	64.4	79	-659
Kalmykia	66.1	57	-702
Tuva	78.7	75	-1,245
Birobijan	55.7	77	-535
Aga	69.4	80	-425
Komi-Permyakia	56.3	77	-427
Koryakia	81.6	68	-6,677
Ust-Orda			
Buryatia	70.6	73	-778
Chukotka	50.7	69	-2,582
Russian Federation	12.4	59	765

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International Affairs

Ukraine: Minister: Black Sea Region Could Be Nuclear-Free Zone

LD2904121596 Kiev UNIAN in Ukrainian 0830 GMT 29 Apr 96

[FBIS Translated Text] Kiev — The Black Sea region could serve as an example in the process of studying in detail the idea of setting up a nuclear weapons-free zone in central and eastern Europe. The expansion of economic cooperation in the Black Sea region is an effective form of consolidating mutual trust among the Black Sea countries, which can considerably contribute toward improving relations between the former East and the West, Ukraine's Foreign Minister Hennadiy Udovenko pointed out in a speech which he made at a plenary session in Bucharest of the Black Sea Economic Cooperation [BSEC] business forum on "Stability and security in the Black Sea region", which was attended by foreign ministers of the BSEC member states.

Udovenko said economic cooperation under the auspices of the BSEC is so far the only form of regional interaction and no proper attention has been paid as yet to the political aspect of the Black Sea cooperation. The Black Sea area is a zone where the interests of many countries meet, and attempts by some of them to step up their military and political influence in the Black Sea region may have a negative effect on European security as a whole.

Ukraine: Foreign Minister Airs Romania Treaty Issues

LD2904190396 Moscow INTERFAX in English 1726 GMT 29 Apr 96

[FBIS Transcribed Text] KIEV, April 29 (Interfax - Ukraine) - Ukraine will continue talks with Romania on the preparation of a basic political treaty between the two countries, Ukrainian Foreign Minister Hennadiy Udovenko said at a news conference in Kiev on Monday.

Ukraine opposes mentioning the Molotov-Ribbentrop pact in the treaty with Romania, he said. However, Ukraine has what he called "reserve positions" concerning the condemnation of the totalitarian regimes in the history of the two countries or a parallel condemnation of the Antonescu-Hitler pact, he said.

Udovenko criticized some Romanian media reports on the speech delivered by Ukrainian President Leonid Kuchma at the Parliamentary Assembly of the Council of Europe in Strasbourg, France, on April 23. Some media reports included "Ukrainophobe statements which are not in line with the present level of our relations," Udovenko said.

The media are free to pass comment, but the Romanian Foreign Ministry should have announced its official position on this issue, he said.

Kuchma said at the Parliamentary Assembly of the Council of Europe on April 23 that Kiev does not accept territorial claims on Ukraine that could change the existing borders in Europe. The normalization of relations between Ukraine and Romania is possible if the two countries take into consideration the decisions by all post-war conferences, starting with the Helsinki Conference, Kuchma said.

Ukraine: Udovenko: Citizens Held in Minsk Should Have Respected Laws

LD2904180296 Moscow INTERFAX in English 1621 GMT 29 Apr 96

[FBIS Transcribed Text] Kiev, April 29 (Interfax - Ukraine) — Ukraine proceeds from the premise that her citizens staying in foreign countries should respect the laws of the country of their stay. This is the commentary given by Ukrainian Foreign Minister Hennadiy Udovenko at press-conference in Kiev today, in connection with the detention by Belarussian law-enforcement bodies of Ukrainian citizens, who participated in the demonstration in Minsk on April 26.

The Minister noted that Ukraine makes similar demands on foreigners staying in her territory. "We shall not be guided by double standards", he emphasized.

Meanwhile, according to H. Udovenko, Ukraine's Foreign Ministry "is actively inquiring" into the circumstances, in which Ukrainian citizens were detained in Minsk. To his knowledge, at present five Ukrainian citizens, who participated in the demonstration, are detained in Minsk.

Commenting at the request of newsmen on the appeal of the Popular Rukh of Ukraine to the country's leadership demanding that "relations with official Minsk shall be revised" up to a boycott by Ukraine of international events with the participation of Belarussian President Alyaksandr Lukashenka, or his representatives, Udovenko said: "Ukraine will not permit an isolation of Belarus in the international arena".

He expressed conviction that Belarus' membership in international organizations shall help towards the development of democratic processes in that country.

On April 26, tens of participants in the march, which was not permitted by the authorities, timed to the anniversary of the Chernobyl disaster, were injured in clashes with the police.

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Ukraine: Detainment of Ukrainians in Belarus Criticized

LD2904164796 Kiev UNIAR in Ukrainian 1545 GMT 29 Apr 96

[FBIS Translated Excerpt] Kiev — The UNA-UNSD [Ukrainian National Assembly - Ukrainian National Self-Defense] leadership has held a special news conference on the way the Belarusian authorities' dealt with the participants in the rally on 26 April. [passage omitted]

According to Andriy Shkil, a UNA propaganda worker, approximately 200 of the rally participants are now behind bars in Belarus, including four members of a UNA-UNSD detachment (the organization's leadership is afraid of naming them, saying that to give out this information could threaten the lives of the detainees). Six Ukrainian journalists have also been detained, including Ukrainian Television-1 correspondent Natalka Chanhuli and a camera operator.

UNA-UNSD members informed Ukrainian journalists about the general situation in Belarus. Arrests begin at the border, UNA members said. All individuals of Ukrainian nationality are detained at railway stations for no good reason on the pretext of document checks. In particular, militia detachments armed with automatic weapons arrested 16 Ukrainian citizens at the Baranovichi railway station in the early hours of 26 April. Those detained included Ukrainian people's deputy Yuriy Tyma, reporters and state employees. They were going to Belarus at the invitation of the leadership of the Belarusian Popular Front. After the whole group declared a hunger strike in protest at the militia's actions, the Ukrainian citizens were deported from Belarus without any reason having been given. [passage omitted]

National Affairs

Ukraine: Deputy Sets 'Popular Opposition' Against New Constitution

WS3004090396 Kiev KIYEVSKIYE VEDOMOSTI in Russian 26 Apr 96 p 4

[Report by Volodymyr Katsman: "'Popular Opposition' Against 'Leonid Kuchma's Basic Law'"]

[FBIS Translated Text] As it has become known to a KIYEVSKIYE VEDOMOSTI correspondent, one of the leaders of the "Union" deputy faction, head of a parliamentary subcommission for issues of entrepreneurship, Ivan Symonenko (do not confuse him with Petro Symonenko, leader of the communist faction), collected signatures of deputies from Chernihiv, Zaporizhzhya, Sumy, Lugansk, and Donetsk Oblasts under a memorandum about the creation of a "Popular Opposition" (NO) public staff. "We have no doubt that the Constitution will be submitted to a referendum. It is a pity that the leftist forces are not taking this into account. It is necessary to painstakingly prepare for this," comrade Symonenko announced. And he added: "'Peoples Opposition' emerges as a counterbalance to the public committee in support of the constitution, which was blessed by the presidential team and created under an initiative of the right-centrist political parties."

For the time being, "Popular Opposition" is only a central staff based on the "Union" deputy faction, as well as on parliamentary communist and socialist structures. However, Ivan Symonenko sets himself the task of spreading NO activity over all of Ukraine's regions during the month of May. Primarily, of course, over southern and eastern regions. According to Ivan Symonenko, 365 local soviets have addressed the Supreme Council with ultimatums to prevent the adoption of the "pro-presidential" constitution. Harsh protests have been voiced by "numerous working collectives." All this will serve as the main basis for NO's anticonstitutional activity.

The main slogans of the "Popular Opposition" are: "No to Leonid Kuchma's Basic Law" and "A new guarantor for the new constitution!" Ivan Symonenko asserts in connection with this that an idea of NO's initiators to hold presidential elections four months after the referendum "has been supported by many deputies of a national democratic orientation." For the time being, only six people's deputies can be considered as NO supporters.

Ivan Symonenko is assured that the "Popular Opposition" will be able to unify all left-wing forces, primarily in parliament. Ukrainian left-wing forces should learn from the experience of the Russian Duma's leftists: They promptly and evenly distributed "the supporters of power for the working masses" among groups and factions in order to obtain more control in parliament's leading bodies. As for Ukraine, the leftists pursued power and numerical strength in their "native" parliamentary factions.

There is an interesting aspect to this. Ivan Symonenko, a Chernihiv resident, quite actively supported Leonid Kuchma in the presidential election campaign. After joining parliament, he was also an active participant in the "Interregional Deputy Group," but in February last year he left it, created the "Union" deputy association, and sided with the Peasant Party faction. As it has become known to the KIYEVSKIYE VEDOMOSTI correspondent, at present he is initiating a new political party — a Leftist Party of Labor.

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Ukraine: Crimean Party Figures Target of Political Killings

WS3004073696 Kiev INTELNEWS in English 0054 GMT 30 Apr 96

[By Liliya Budzhurova, "Special to INTELNEWS"]

[FBIS Transcribed Text] Simferopol, April 28 — Law enforcement efforts in Crimea are being stepped up to solve a string of attacks commonly ascribed to political antagonists of the Party of Economic Rebirth of Crimea (PERC).

Initiatives are being headed by Mikhaylo Korniyenko, chief of the Ukrainian Internal Affairs Ministry's Crimean department. Efforts include increased patrols, searches to confiscate illegal arms, additional road check points by local police and members of Ukraine's national guard based in Simferopol.

PERC officials contend the recent rash of violence, including 10 attacks and bombings from March 24 to April 24, is politically motivated.

The attacks include seven bombings in vicinities of party members and three shootings. The last attack, April 24, was the shooting of Yuriy Osinskyy, a PERC central committee member who is the director general of Festo-Ukraina. Osinskyy's wife was killed. Members of the party include the Crimean deputy prime minister in charge of economics and finance, Andrey Senchenko, and Crimean Parliament Deputy Speaker Anushevan Danelyan.

PERC leader Volodymyr Shevyov is also chairman of the parliament's largest faction, Creation. Shevyov, not naming names, accuses "political opponents" in the attacks.

At its last session on Thursday, the Crimean Parliament passed a resolution on formation of municipal police forces in Simferopol and Yalta directly subordinated to local authorities, while Crimean Parliament Speaker Yevhen Suprunyuk is ordered to coordinate activities of the law-enforcement bodies.

But the peninsula already has two other such "coordinators:" Dmytro Stepanyuk, President Leonid Kuchma's representative to Crimea who was given this responsibility by a presidential decree and Crimean Prime Minister Arkadiy Demydenko, who heads a coordination council to fight organized crime and corruption.

The same Parliament session also passed a statement accusing Ukraine of failing to handle its "duty" of being a guarantor of citizens' security and urging Ukrainian Parliament to approve the articles of the Crimean constitution concerning dual subordination of the Crimean police.

Ukraine: Report on Secret Facility Near Chernobyl

AU3004090996 Kiev MOLOD UKRAYINY in Ukrainian 26 Apr 96 p 2

[Article by Danylo Kulynyak: "What Is 'Chernobyl-Two' Actually?"]

[FBIS Translated Text] **A few days ago, the independent trade union of Ukrainian servicemen disseminated a statement that dealt with the once secret "Chernobyl-Two" facility.**

I happened to visit that cantonment prior to the Chernobyl catastrophe and after it. I was there more than once — last time relatively recently. That facility has interested me for quite some time — after the passenger aircraft "Leningrad-Kiev-Leningrad" was blown up above it. I raised this issue in the press several times asking "What is 'Chernobyl-Two' Actually?" My first publication under this title appeared in 1989. At first, those in power, the so-called "competent agencies," said nothing, but later some information started to surface. It is only now that a properly qualified group has legally entered the facility and tried to establish the truth. This is reassuring, though the truth is sad. This is encouraging.

Even though 10 years have passed since the Chernobyl catastrophe, the 30-kilometer estrangement zone still harbors many mysteries. One of them is the cantonment "Chernobyl-Two," which was once the USSR Defense Ministry's top-secret facility. Well, why once? It remains so now if one is to believe the statement by the independent trade union of Ukraine's servicemen that was signed by its chairman Oleksandr Lalak, deputy of the Kiev Council, and the VECHIRNIY KYYIV publication of 12 April 1996. There is no reason to mistrust those documents. However, "Chernobyl-Two" no longer works for the USSR Defense Ministry, but seems to provide services for the Russian Defense Ministry. Yuriy Samoylov writes in his 12 April article in VECHIRNIY KYYIV entitled "Whom Does the Mysterious 'Chernobyl-Two' Service?": "When the "swoop" team got into Technological Zone-3, a group of people emerged from nowhere and openly showed its hostile intentions. The hats of those unknown people sported brightly shining cockades with the two-headed eagle [the Russian coat of arms]." Considering that the "Chernobyl-Two" facility was an integral part of the USSR anti-missile space defense system, which has now become Russian, it is perfectly logical that it still provides for Russia's defense interests, like, for example, the radioelectronic complex near Mukachevo [in Ukraine's Transcarpathia] that has even been legalized by a relevant Ukrainian-Russian accord. As regards "Chernobyl-Two," no open official accords exist, which

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does not rule out the existence of secret accords at a certain level.

Generally speaking, the 30-kilometer "estrangement zone" is a kind of state within a state. All the more so the "Chernobyl-Two" facility may be looked upon as a state within a state of the "estrangement zone" — it does not formally belong to anyone and everybody in Ukraine disowns it point blank. At the same time, as the "swoop" group of independent specialists has established, all of its main systems are functioning and are vigilantly guarded by special units of an unknown country, units that have nothing to do either with the "Prypyat" MNTK [probably the Interdepartmental Scientific and Technological Complex] or Ukraine's Defense Ministry. (Though, allegedly, in the summer of 1988 the military handed it over for free to the enterprise "Kombinat" [Combine]). The administration of the "estrangement zone" and the "Prypyat" Research and Production Association are, ostensibly, units of Ukraine's Ministry of Chernobyl. In fact, however, or at any rate this was my impression, they are still subordinated to Moscow rather than to Kiev. Leading posts are mainly occupied by specialists from Russia who are in many cases Russian citizens. The Russian language prevails everywhere and, I would say, the Ukrainian state and its symbols are openly ignored. It is not a problem to illegally deploy there special units of the Russian Armed Forces (they may be brought in and out via Belarus), because three states are in charge of guarding the "Chernobyl-Two" facility, stringent limitations are in effect in what concerns movements of journalists or other undesirables in the "estrangement zone," and at the same time, the border with Belarus in the area of the "estrangement zone" is actually open." It is also known that pertinent accords exist with Russia. And also the Russian Strategic Missile Division in the area between the Dnieper and the Prypyat. Hence, if such a need arises, it is possible, in just two or three hours, under the pretext of changing guards or yet another resettlement, to bring thousands of servicemen from the Russian special-purpose units to the Ukrainian capital by bus, and this would not arouse any suspicion. Let us hope that this D-day will never take place, but even the most unlikely variants should not be ruled out. The rules that prevail in the "estrangement zone" are a topic for special discussion. What is "Chernobyl-Two"? According to Oleksandr Lalak, it is a residential complex, the "Lastivka" [Swallow] Hotel, a helicopter field, and also four technological zones: The first zone — two over-the-horizon antennas of the radar complex; the second — the space communications center with the antenna complex of the "Kruh" [Circle] facility; the third — the bioenergy antenna; and the fourth is the laser interferometer graviton. I can add something to Major Lalak's testimony. The antennas and other external features that stick out like the wolf's ears in the "Red Riding Hood" fairy tale and that betray the supersecret "Chernobyl-Two" facility are just the visible parts of this, so to say, iceberg. Its main part is under the surface. "Chernobyl-Two" could well be called an underground town.

Somewhat at a distance — a kilometer or two away from the "Chernobyl-Two" surface town, there is a carefully camouflaged underground reserve command station. Here, during the building of "Chernobyl-Two," attempts were made to hide as much as possible, because preparations were being made for a nuclear war — just the gigantic antennas, more than 100 meters in height, can be seen over many kilometers. "Chernobyl-Two" was not only built as an anti-missile defense system complex, a facility for space surveillance and communications, and an important research center. Several military units were also deployed there. The air defense system of "Chernobyl-Two" may be judged at least by its destruction of the passenger aircraft on its flight from Leningrad to Kiev at the end of the 1970's, when the aircraft accidentally strayed into the forbidden zone.

Laser pulse weapons were also developed there. They are allegedly capable of destroying, by a powerful energy pulse, not just missiles, but even artificial Earth satellites in space. Clearly, "Chernobyl-Two" required a great deal of electricity, and a considerable part of the Chernobyl Nuclear Plant [AES] capacities was used precisely for providing energy for "Chernobyl-Two." They constituted a single integral system. It is not by accident that one of the versions explaining the catastrophe at the Chernobyl AES on 26 April 1986 (because smaller-scale accidents happened there before) ties up the cause of the tragedy with experiments at "Chernobyl-Two." Some people believe that psychotronic [psikhotronnyy] weapons were developed there and nuclear weapons were manufactured [apart from electricity, the Chernobyl AES also produced weapons-grade plutonium), and so on — endless versions, conjectures, and rumors invariably emerge whenever there is no exhaustive information that lends itself to verification. It would therefore be best to put an end to all sort of rumors and speculations about "Chernobyl-Two" by urgently forming a group of independent specialists and journalists, who would objectively explore this mysterious facility and publish reports and accounts from the town, situated just about 100 kilometers away from Kiev. Meanwhile, as Oleksandr Lalak believes, this facility, still consuming huge amounts of Ukrainian electricity, does not work for Ukraine, despite being located on Ukrainian territory. It is logical that American missiles with nuclear

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warheads may be aimed at "Chernobyl-Two," because it works against the United States. One can easily figure out that, in the event of an unlikely but not impossible conflict with Russia, the United States would deal a nuclear missile strike mainly against the system of the Russian antimissile defense, in particular, against "Chernobyl-Two," a few kilometers away from the operating Chernobyl AES reactors on the territory of neutral Ukraine.

In conclusion, I will quote from the article by Professor Fuller Royal [names as transliterated], who works at a preventive medicine clinic in the U.S. State of Nevada, under the title "Nontraditional Medicine and Quantum Mechanics" that was published in the AMERICAN JOURNAL OF ACUPUNCTURE No. 1 of 1990. Dr. Fuller Royal writes as follows: "In 1976, in Eugene, State of Oregon, I had a chance to observe the effect of extremely low frequencies — a signal transmitted from Kiev in Ukraine. The signal with the basic frequency of 4.75 megahertz that arrived through air caused emotional disturbances, headache, and a number of other symptoms in the town's residents. The government conducted an investigation into the phenomenon, but the truth only became known several years later. The signal had three objectives: First, it revealed beyond-horizon missile targets; second, it was a means of communication with submerged submarines; and third, the signal had a biological effect through resonance with the DNA molecules of the body cells." That signal was transmitted from the "Chernobyl-Two" facility, which had been commissioned in 1975. Its functioning was ensured by two nuclear generators, and when the Chernobyl AES was put into operation in 1977, perhaps its only purpose was to provide electricity for "Chernobyl-Two." Therefore, the talk about the development of psychotronic weapons in the supersecret town "Chernobyl-Two" is not so groundless — its signals did affect the state of mind and health of U.S. residents — on the other side of the globe. What about those, who live closer, in particular, you and me?

Ukraine: Scientists Conclude Chernobyl 'Triggered' by Earthquake

AU3004111396 Ivano-Frankivsk HALYCHYNA in Ukrainian 24 Apr 96 p 1

[Unattributed report]

[FBIS Translated Text] The Chernobyl catastrophe was triggered by an earthquake, whose epicenter was just 10 kilometers away from the electric plant. This was the sensational conclusion arrived at by five Russian and Ukrainian scientists as a result of studying the data on earthquakes that had previously been kept secret.

Economic Issues

Ukraine: Law on 1996 Budget

964K0112A Kiev HOLOS UKRAYINY in Ukrainian 6 Apr 96 pp 3-5

[Texts of "Decree of the Supreme Council of Ukraine On the Enactment of the Law of Ukraine 'On the State Budget of Ukraine for 1996'," issued on 22 March 1996, and of the "Law of Ukraine 'On the State Budget of Ukraine for 1996'," passed on 22 March 1996]

[FBIS Translated Text]

Decree of the Supreme Council of Ukraine

On the Enactment of the Law of Ukraine "On the State Budget of Ukraine for 1996"

The Supreme Council of Ukraine hereby resolves:

1. To enact the Law of Ukraine "On the State Budget of Ukraine for 1996" effective 1 January 1996, articles 22, 24, and 35 of this Law effective as of the date of publication [of this law], and part 2 of Article 19 within a month of the date of publication.

To enact Article 31 of this Law effective 1 July 1996. That the Cabinet of Ministers of Ukraine in coordination with the Budget Commission of the Supreme Council of Ukraine shall work out a mechanism for implementing this article.

2. To establish that the norms set forth in articles 15 and 16 of the Law of Ukraine "On the State Budget of Ukraine for 1996" shall be in force until the enactment of the Law of Ukraine on amendments and supplements to the Law of Ukraine "On Payment for Land."

3. To recommend to the Cabinet of Ministers of Ukraine that when it submits proposals on refining the indicators of the State Budget of Ukraine for 1996 it stipulate that the additional funds received from the enactment of laws that result in increasing the revenues portion of the budget be used primarily to provide social safeguards for the population.

4. That the Cabinet of Ministers of Ukraine:

— within a month, shall examine the question of improving the management of the health care sector and the costs of maintaining health care institutions, as well as expanding the scope of paid medical services, in conditions of limited budget financing;
— when submitting proposals on refining the indicators of the State Budget of Ukraine for 1996, shall provide for increasing the volumes of funding for state capital investments, national defense, the Security Service of

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Ukraine and the Border Troops, as well as reimbursement of agricultural producers for the construction at their own expense of rural social and cultural facilities in 1995 in the amount of 28 billion karbovantsi;
— during the first half of 1996, shall inventory nonresidential premises being leased by housing and municipal services enterprises and institutions that are financed in full or in part from the budget, analyze the status of payments on such leases, and work out appropriate proposals on regulating leasing relations and increasing budget revenues and decreasing budget expenditures on this basis;
— within one month, shall work out and approve the procedure for the repayment of debts to the state budget by agricultural producers by means of placing the goods produced by them into the state reserves in the amount of the debt;
— in order to carry out the Decree of the Supreme Council of Ukraine of 5 October 1995 "On the Work To Be Done by the Government To Implement the Laws and Decrees of the Supreme Council of Ukraine on Stabilizing the Financing of the Fuel and Energy Complex and Preparing It To Work in the Fall and Winter Seasons," shall look for ways throughout the year to obtain additional funds for providing state assistance to coal industry enterprises;
— shall look for additional ways to obtain long-term credits and other sources of financing for the construction of housing by youth housing complexes;
— shall finance the costs of the agroindustrial complex through the State Treasury of Ukraine;
— in order to provide those suffering from diabetes with domestic insulin, shall, within the period of a month, find ways to build and put into operations capacities for the production of this drug;
— shall find ways to increase the volumes and financing for nuclear power engineering to enable the completion of construction of reactors at nuclear power stations;
— shall prepare a draft Law of Ukraine on anticrisis regulation in the economy and submit it within three months for consideration by the Supreme Council of Ukraine;
— within one month, shall submit for consideration by the Supreme Council of Ukraine a draft Law of Ukraine on amendments and supplements to the Law of Ukraine "On the Budget System of Ukraine" with respect to the principles governing the distribution of secured and their own revenues and expenditures among budgets of different levels;
— shall find additional funds to finance anticholera measures in the southern oblasts of Ukraine;
— shall clarify relations with the managers of the funds for the maintenance of means of navigation;
— shall examine the expediency of financing public organizations from the state budget.

5. That when reviewing average land tax rates, which were increased in 1996 by a factor of 1.45, the oblast and the Kiev and Sevastopol city councils shall approve tax rates for nonagricultural lands based on verage tax rates and an economic appraisal of the territory and location of the parcels of land, but not to exceed double the average rates.

6. That ministries and departments, other state executive-branch bodies, the Government of the Autonomous Republic of Crimea, and the oblast and Kiev and Sevastopol city state administrations shall reduce state expenditures, halt the implementation of programs approved earlier that have no sources of funding, and bring indicators of the system, staffs, and contingents of departmental institutions and establishments into conformity with the funds provided for their maintenance in 1996 in the state and local budgets.

7. That the Zakarpattya, Ivano-Frankivsk, Lviv, and Chernivtsi oblast state administrations, the Ministry of Agriculture and Food, the Ministry of Transport, the Ukrainian Corporation for the Construction, Repair, and aintenance of Roads, the Ministry of Industry, the Ministry of Forestry, the Ministry of Environmental Protection and Nuclear Safety, and other ministries and departments of Ukraine shall set aside funds in 1996 and subsequent years from state centralized capital investments, as well as from local budgets, enterprises and organizations, and other sources of financing for carrying out measures connected with the social and economic development of population centers that have been designated as mountain settlements in accordance with the Law of Ukraine "On the Status of Mountain Population Centers in Ukraine."

8. That in 1996 the Supreme Council of the Autonomous Republic of Crimea, and the oblast and Kiev and Sevastopol city councils shall apportion state taxes, fees, and other mandatory payments between the republic budget of the Autonomous Republic of Crimea, the oblast and city (Kiev and Sevastopol) budgets and the budgets of rayons, cities under oblast jurisdiction, and city districts [rayons] based on the calculation of the average [budget] provision per each resident of the Autonomous Republic of Crimea, oblast, or city.

9. In order to expand the financial-budget base of local councils, to establish that in 1996 the oblast and the Kiev city budgets shall retain 50 percent of the revenues collected in value-added taxes, excise taxes, and profits taxes from state-owned enterprises over and above the

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quotas calculated in the rates of allocation of receipts from state taxes and fees.

That the Cabinet of Ministers of Ukraine shall approve the procedure for making the indicated calculations.

10. To establish that the funds for financing state centralized capital investments, provided for in the allocations to the budgets of the Autonomous Republic of Crimea, the oblasts, and the cities of Kiev and Sevastopol, shall be used by the relevant councils strictly in accordance with their specific designation.

11. To establish that effective 1 May 1996 revenues into the State Budget of Ukraine from fees paid by housing and municipal services enterprises for the special use of fresh water resources shall be used to pay for the repair and reconstruction of emergency water-supply systems and sewerage systems in urban population centers of Ukraine.

That the Ministry of Finance, the Ministry of the Economy, the Ministry of Environmental Protection and Nuclear Safety, together with the State Committee of Ukraine for Housing and Municipal Services, shall make the necessary amendments in the existing procedure of forming the section of the State Budget of Ukraine on "Protection of the Environment and Nuclear Safety."

12. To establish that the proposals of the Cabinet of Ministers of Ukraine that are submitted to the Supreme Council of Ukraine with respect to changes in the rates of excise taxes and import duties shall be considered in a priority manner.

13. That Point 10 of the Decree of the Supreme Council of Ukraine of 13 December 1995 "On the Fundamental Principles Governing Tax Policy and Tax Reform in Ukraine" shall read as follows:

"To establish that effective 1 January 1996, the monies in special purpose budget funds shall be entered into the main accounts of the State Budget of Ukraine, as well as the local budgets at all levels (with the exception of the funds of the Pension Fund of Ukraine, the State Innovation Fund, the Fund for the Protection of Labor, and the Fund for Implementing Measures To Liquidate the Effects of the Chernobyl Catastrophe and Provide Social Safeguards for the Population, as well as special the funds created by ministries, departments, concerns, and corporations to finance sectoral scientific-research projects. The monies of the indicated funds are part of the revenues and expenditures of the relevant budgets, are recorded on separate accounts, and are used in accordance with their specific designation.)"

14. That the Budget Commission of the Supreme Council of Ukraine is charged with monitoring the execution of the State Budget of Ukraine for 1996.

[Signed] Chairman of the Supreme Council of Ukraine
O. MOROZ
Kiev, 22 March 1996

Law of Ukraine

On the State Budget of Ukraine for 1996

The Supreme Council of Ukraine hereby resolves:

Article 1. To approve the State Budget of Ukraine for 1996 in terms of revenues in the amount of 2,390,864.7 billion karbovantsi and in terms of expenditures in the amount of 2,852,610.1 billion karbovantsi, with a maximum deficit of 461,745.4 billion karbovantsi.

To establish that the deficit of the State Budget of Ukraine shall be covered by the following sources of financing: domestic state loans —150,000 billion karbovantsi, National Bank of Ukraine credits —107,195.4 billion karbovantsi, and external sources of financing — 204,550 billion karbovantsi, including 112,500 billion karbovantsi lent by the World Bank, 58,500 billion karbovantsi lent by the European Community, and 33,550 billion karbovantsi lent by the Export-Import Bank of Japan.

Article 2. To approve in the State Budget of Ukraine a circulating cash balance at the end of the year in the amount of 50,000 billion karbovantsi. To establish that additional revenues received into the State Budget of Ukraine over and above the amounts approved in Article 1 of this Law are to be used to form the circulating cash balance up to the indicated amount.

Article 3. To establish the revenues into the State Budget of Ukraine for 1996 from the principal forms of income in the following amounts:

Figures in billions of karbovantsi
Value-added taxes...303,862.6
Enterprise profits taxes...172,121.9
Excise taxes...57,233.9
Personal income taxes...114,787.2
30 percent of income received from payment for land...29,298.4
Payment for the special use of forest resources...1,698
Payment for the special use of fresh water resources...7,178.2
Payment for the special use of interior resources in mining minerals...2,459.3
Rent payment for oil and natural gas pumped in Ukraine and the difference in the prices of natural gas...264,218.9
State fees...6,296.5

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Revenues from external economic activity (duty on goods imported by business entities)...36,480
Deductions for geological prospecting...35,900
Revenues from the State Committee of Ukraine for Material Reserves...144,700
Contributions from enterprises and economic organizations into the Fund for Implementing Measures To Liquidate the Effects of the Chernobyl Catastrophe and Providing Social Safeguards for the Population...179,455.9
Revenue from deductions from the amount by which the National Bank's current revenues exceed expenditures...12,900
Revenues from the sale of precious metals from the State Fund of Precious Metals and Precious Gems...700
Charges and other nontax income...66,975.1

Revenues into:

the Pension Fund of Ukraine...730,090
the State Innovation Fund...20,800
the State Fund To Promote Employment...38,775.6
the Fuel and Energy Complex Development Fund...108,000
Other revenues...9,598.2
Funds subject to transfer into the State Budget of Ukraine from the budgets of the Autonomous Republic of Crimea, the oblasts, and the city of Kiev...47,335

Article 4. To establish appropriations in the State Budget of Ukraine for 1996 for the following measures:

Figures in billions of karbovantsi
Population safety net — total...133,654.7

including:

maintenance of temporary regional refugee centers...445
compensation payments under the Law of Ukraine "On the Rehabilitation of Victims of Political Represssion in Ukraine"...200
reimbursement of banks for the difference in interest rates on preferential credits for private construction in villages...0.6
reimbursement of additional costs of construction of housing at the expense of the population...1,030
social security...129,549.5

including:...

— pensions for military servicemen and command and rank-and-file personnel of internal affairs agencies...72,981
— transfers into the Pension Fund of Ukraine for the payment of pensions to military servicemen in the private, sergeant, and officer ranks performing term service and their families...31,000
— budget funds transferred into the Fund for the Social Protection of the Disabled...19,000
— funds to maintain dormitories and other social security institutions...6,568.5
funding measures associated with implementing state regulation of prices...2,429.6

including the prices of:

— solid fuel...70.4
— reducing the cost of the construction of housing by youth housing complexes...1,650
— housing and municipal services (centralized expenditures)...709.2
Financing social and cultural institutions, establishments, and measures — total...251,618.3

including:

— education...131,826.1
— culture...29,740
— health care...56,207.2

including:

— immunization and measures for fighting epidemics, as well as measures for the prevention and treatment of tuberculosis...2,000
— physical culture and youth measures...6,495
— outlays for the training and participation of Ukrainian sportsmen in the 26th Olympic Games and the 3d Paraolympic Games of 1996...2,350
— outlays for the maintenance of social and cultural facilities that are being transferred by state-owned enterprises into communal ownership...25,000
Financing science — total...72,240.8

including:

— the National Academy of Sciences of Ukraine...15,578.1
— Ukrainian Academy of Agrarian Sciences...6,366.6
— the Academy of Medical Sciences of Ukraine...972.5
— expenditures of the State Innovation Fund...20,800

including:

financing of national, intersectoral, and regional programs...10,000

including:

the National Academy of Sciences of Ukraine...8,100
the Ukrainian Academy of Agrarian Sciences...1,000
the Academy of Medical Sciences of Ukraine...400
the Academy of Pedagogical Sciences of Ukraine...400

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the Academy of Legal Sciences of Ukraine...100
State capital investments...90,892

including:

the agroindustrial complex...42,000
budget loans...10,000
Funds for acquiring rolling stock for railroad transport to carry passengers...1,500
Costs of restructuring the coal industry...27,000
Financing the construction of housing for military servicemen and command and rank-and-file personnel of internal affairs agencies...15,000

including:

— the construction of housing for military personnel transferred into the reserves or retired, who are on apartment list of local state administrations...2,000
National economy — total...355,041.4

including funding for:

— budget loans for:
creating fuel reserves for winter usage for enterprises in the system of the Ministry of Energy and Electrification of Ukraine...8,000
assistance to state enterprises...10,000
— engaged in geological prospecting for solid minerals and deep exploratory drilling for oil and gas...35,900
— engaged in geological prospecting for gold...2,790
— measures to convert enterprises in the defense complex and to create new kinds of civilian production...16,900

including:

agricultural machinebuilding...5,200
— the National Space Program...6,500
— the National Program for the Exploration and Utilization of the Resources of the Azov and Black Sea Basins and Other Regions of the World Ocean...2,500
— measures in the sphere of processing the scrap and wastes of precious metals...1,732.2
— antiepizootic measures, [expenditures of] budget institutions of the agroindustrial complex and other expenditures of the complex...7,587.9
— water management measures...8,226
— protection, breeding and restoration of fish resources...1,900
— land reform and land development...700
— state program for creating a gold mining industry...2,841
— state program for support of plant breeding...8,184
— state program for support of livestock breeding...9,356.6
— substantial [dokorinne] improvement of lands...1,053.1
— forestry, the protection of forests...10,842
— outlays for establishing and caring of young orchards, vineyards...3,500
— outlays for financial assistance and partial payment of interest on loans extended to:
businessmen...500
peasant (private) farms...950
collective agricultural enterprises...250.3
— procurement of agricultural products under the state contract (budget loan)...30,000
— costs of safeguarding state material reserves...148,425

including the purchase of grain...50,000

— other national economy expenditures...36,403.3
Outlays for the technical retooling of enterprises in the fuel and energy complex (fuel and energy complex development fund)...108,000

including:

coal industry enterprises...100,000
Financing housing and municipal services and road management —total...7,000.2

including:

— capital repairs of the housing fund...972
— civic improvements in cities and towns...28.2
— repair and maintenance of state public roads...6,000
Restoration of architectural landmarks...628
Protection of the environment and nuclear safety...9,566
Financing measures associated with the repatriation of the Crimean Tatars and persons of other nationalities who were illegally deported from Ukraine...100
National defense — total...137,962

including:

— maintenance of the Armed Forces of Ukraine...116,962
— purchase of armaments and military equipment...18,000
— scientific-research and research and design projects...3,000
Civil defense staffs and troops...1,800
Financing measures to liquidate strategic weapons...1,500
Law enforcement and state security — total...138,250

including:

— Security Service of Ukraine...17,800

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— internal affairs agencies and internal and convoy guard troops...71,400
— the penal system...22,000
— Border Troops of Ukraine...15,000
— National Guard of Ukraine...4,200
— Main Administration of Government Communications...6,950
— Administration of State Security of Ukraine...900
Local state tax inspectorates...12,300
Additional appropriations for financing material and technical supplies for the special units for combatting organized crime...1,100
Maintenance of legislative, executive, and judicial bodies —total...41,630

including:

— legislative branch...6,100
— executive branch...27,000

including:

Cabinet of Ministers of Ukraine...1,737
funding the functions of the president of Ukraine, the head of state...1,881
— judicial branch...8,530

including:

Supreme Court of Ukraine...800
Procuracy of Ukraine...8,000
Financing measures set forth in the National Program for Improving Industrial Sanitation and Workplace Safety...70
Foreign affairs activity — total...46,985

including:

— dues to international organizations of which Ukraine is a member — total...30,525

including:...

— the budget of the UN and the bodies and special institutions of the UN...25,632
— international financial organizations...4,368
— interstate CIS institutions...525
— maintenance of Ukraine's diplomatic representations abroad...10,653.7
— purchase by Ukraine of facilities abroad to house diplomatic representations...4,546.3
— costs of short-term official trips abroad by responsible workers of state executive branch bodies...1,226.3
— other expenses not connected with trade...33.7
Other budget expenditures...9,420.4
Reserve Fund of the Cabinet of Ministers of Ukraine...25,000
Measures associated with liquidating the effects of the Chernobyl catastrophe and providing social safeguards for the population —total...179,455.9

including:

— outlays for social safeguards for citizens who suffered as a result of the Chernobyl catastrophe...133,077.5
— state capital investments...32,470.7
— independent resettlement of citizens from radioactively contaminated territories and the construction of housing for citizens designated as belonging to Category 1...8,562.1
— outlays for jobs performed in the exclusion zone...9,526.8
— other special purpose Chernobyl programs...13,818.8
Pension Fund expenditures...730,090
— including costs of introducing supplementary payments for certain groups of pensioners to bring them up to the poverty level...120,000
Expenditures of the state fund to promote employment...28,775.6
Cost of servicing the state foreign debt...275,872.5
Cost of servicing the state domestic debt...36,049.8
Compensation of costs of building social and cultural facilities in villages...25,000
Funds subject to transfer from the State Budget of Ukraine into oblast budgets and the budget of the city of Sevastopol...81,107.5

Article 5. To establish the apportionment of expenditures of the State Budget of Ukraine among ministries and departments, as well as maximum appropriations for wages in accordance with Addendum No. 1.

Article 6. To approve for 1996 the fixed rates of allocations from state taxes and charges into the budgets of the Autonomous Republic of Crimea, the oblasts, and the cities of Kiev and Sevastopol in the following amounts (percentages of the total sum):

Name...Excise tax...Value-added tax...Personal income tax
Autonomous Republic of Crimea...100...100...100

Oblasts:

Vinnytsya...20...100...50
Volyn...20...100...50
Dnipropetrovsk...20...24.2...50
Donetsk...20...23.4...50
Zhytomyr...20...100...50
Zakarpattya...20...100...50

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Zaporizhzhya...20...20...50
Ivano-Frankivsk...20...89...50
Kiev...20...91.6...50
Kirovohrad...20...100...50
Luhansk...20...72.8...50
Lviv...20...59.6...50
Mykolayiv...20...100...50
Odesa...20...45.3...50
Poltava...20...20...50
Rivne...20...100...50
Sumy...20...53.1...50
Ternopil...20...100...50
Kharkiv...20...44.7...50
Kherson...20...100...50
Khmelnytskyy...20...100...50
Cherkasy...20...78.8...50
Chernivtsi...20...100...50
Chernihiv...20...86.3...50
city of Kiev...20...20...50
city of Sevastopol...100...100...100

To establish that enterprise profits tax receipts are allocated to the relevant budgets in accordance with the procedure specified by the Law of Ukraine "On the Budget System of Ukraine."

Despite changes in ownership and subordination of the entities subject to enterprise profits tax throughout 1996, the procedure for allocating these receipts to the relevant budgets shall remain unchanged until the end of the year.

Article 7. To approve as part of the expenditures of the State Budget of Ukraine subsidies to the budgets of individual oblasts and the city of Sevastopol in the amount of 81,107.5 billion karbovantsi to be used to finance local budget expenditures that are not covered by revenues, including:

Figures in billions of karbovantsi

Vinnytsya Oblast...8,195.5
Volyn Oblast...7,473.8
Zhytomyr Oblast...12,318.4
Zakarpattya Oblast...12,623
Kirovohrad Oblast...7,143.6
Mykolayiv Oblast...1,311.2
Rivne Oblast...2,014.8
Ternopil Oblast...6,504
Kherson Oblast...9,264.5
Khmelnytskyy Oblast...7,082.8
Chernivtsi...5,625.1
city of Sevastopol...1,550.8

Article 8. To approve the sum of 47,335 billion karbovantsi as the amount to be transferred from the budget of the Autonomous Republic of Crimea, oblast budgets, and the budget of the city of Kiev into the State Budget of Ukraine, including:

Figures in billions of karbovantsi

Autonomous Republic of Crimea...13,086.0
Zaporizhzhya Oblast...1,553.5
Poltava Oblast...1,445.8
city of Kiev...31,249.7

The transfer of the indicated funds into the State Budget of Ukraine shall be made in the amounts indicated by the schedule [rozpys] of the revenues and expenditures of the State Budget of Ukraine for 1996.

If these funds are not transferred on schedule into the State Budget of Ukraine, to grant the Ministry of Finance of Ukraine the right to transfer one hundred percent of the amount of state taxes and charges collected on the relevant territory into the State Budget of Ukraine until the arrears are paid off in full.

Article 9. To establish that excise taxes collected on goods imported to Ukraine that are subject to excise duties shall be included in the state budget of Ukraine.

Article 10. That the budget loans extended to the Ministry of Agriculture and Food of Ukraine, the State Committee of Ukraine for the Food Industry, and to procurement organizations and goods producers through financial bodies which were repaid in 1996 shall be entered in a separate section of revenues into the State Budget of Ukraine and shall be used as they are received to finance the purchase of agricultural products under the state advance contracts for 1995 and 1996. To grant the organs of the Ministry of Finance of Ukraine the right to collect compulsorily, based on the results of document audits, overdue debts from enterprises and organizations on loans that had been extended to them in 1994-1996, including in the form of commodity credits (on terms in effect in the current year, rent, leasing), to execute the state contract for agricultural production and other loans, as well as their use for other than the designated purpose, along with a fine in the amount of 0.5 percent of the overdue amount owed (amount used for other than the designated purpose) for each day until the full amount is repaid.

Article 11. To establish that in 1996 revenues into the State Budger of Ukraine shall include:

a) proceeds from the sale of goods and other items confiscated by customs, law enforcement, and other authorized bodies, as well as the proceeds from the sale of goods and other items held by customs, the owners of which have not been found in the period

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of time established by normative acts, minus the costs of storage, forwarding, transporting, and sale of the said goods, as well as confiscated foreign currency and the amounts of reimbursed losses caused to the state by state officials and persons authorized to perform state functions as a result of their corrupt actions and unlawful use of their powers to obtain material gain, services, benefits, or other advantages, with 20 percent of these funds to be subsequently used to finance the development of the material and technical base of customs, law enforcement, and other authorized bodies over and above the appropriations stipulated in the State Budget of Ukraine for the maintenance of the indicated bodies;

b) income received by the Ministry of External Economic Relations and Trade of Ukraine from the sale by auction of quotas for the export of goods after the costs of holding the auctions are covered;

c) funds earned in foreign currency for the registration of agencies of foreign entities engaged in economic activity and in the currency of Ukraine for the issuance of export and import licenses;

d) consular fees collected on the territory of Ukraine in foreign currency to be subsequently used for the development of Ukraine's diplomatic representations abroad and for technical equipment for visa processing centers within the limits of the amounts allocated for these purposes in the State Budget of Ukraine.

To allow the Ministry of Foreign Affairs of Ukraine to spend up to 15 percent of consular fees collected outside the borders of Ukraine to cover the costs of providing material assistance to citizens of Ukraine who have suffered some misfortune while abroad; the costs of taking care of the formalities and paying for foreign ritual services in the event of the death of Ukrainian citizens while abroad; and of wages paid to temporary employees (under a work contract) hired locally to perform urgent jobs in the consular sections of Ukraine's embassies abroad;

e) funds, including foreign currency funds, from the sale of surplus weapons, military and special equipment, and property, and from leasing the fixed assets of the Armed Forces of Ukraine and other military formations, as well as funds earned from jobs performed by them and services rendered by them, shall be used as specifically designated funds to finance the material and technical and scientific needs [of the Armed Forces], the construction of housing, and to meet other social needs of military servicemen and their families, over and above the appropriations stipulated in the State Budget of Ukraine for the maintenance of the indicated bodies;

f) fees charged for services rendered in conducting ecological monitoring at border crossings, the amount of and procedure for use of which are established by the Cabinet of Ministers of Ukraine. To allow 20 percent of the indicated funds to be earmarked on the proposal of the Ministry of Environmental Protection and Nuclear Safety of Ukraine for targeted use in the development of the material and technical base of such border crossing points;

g) the difference between the sale price of imported gas to consumers in Ukraine and the purchase price of the imported gas, taking into account the cost of transporting this gas across the territory of Ukraine and the price markups for services associated with its purchase and sale that have been approved by the Ministry of the Economy of Ukraine.

Article 12. To establish that the extrabudgetary funds of local councils, with the exception of those to which deductions are not mandatory in accordance with the legislation of Ukraine, shall in 1996 be included in he relevant local budgets without a change in their specific designation.

Article 13. Secret.

Article 14. Secret.

Article 15. To increase by a factor of 1.45 the land tax rates that were established by the Law of Ukraine "On Payment for Land," taking into account the increases in these rates in 1994 and 1995.

Article 16. To exempt from the payment of land taxes military units, institutions, military educational institutions, scientific-research, children's sanatorium-health resorts and treatment institutions, and enterprises and organizations (financed from the budget) of the Armed Forces of Ukraine, the Ministry of Internal Affairs of Ukraine, the Security Service of Ukraine, the National Guard of Ukraine, the Border Troops, and the Civil Defense Troops on condition that these lands are used for their designated purpose.

The country's enterprises of the aviation, rocket and space, and shipbuilding industries, as well as enterprises that manufacture military equipment and ammunition, are exempted from paying land tax on tracts of land occupied by airfields, test ranges, research and testing stations, drydocks, and hazardous-industry shops, as are mining and metallurgical enterprises exempted from land taxes on tracts occupied by dumps and tailings repositories, and tracts of land occupied by depots of state and mobilizational reserves.

The list of indicated enterprises and sizes of tracts of land subject to exemption from the land tax is

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approved by the Cabinet of Ministers of Ukraine at the recommendation of the relevant ministries and departments with the approval of the organs of the State Committee of Ukraine on Land Resources.

Article 17. To include in the State Budget of Ukraine for 1996 the budget of the Pension Fund of Ukraine in terms of both revenues and expenditures in the amount of 730,000 billion karbovantsi, and the budget of the Fund To Promote Employment in terms of revenues in the amount of 38,775.6 billion karbovantsi and in terms of expenditures in the amount of 28,775.6 billion karbovantsi. To allocate revenues into the Fund To Promote Employment of the Population in the amount of 10,000 billion karbovantsi for financing social safeguards.

Article 18. To include in the revenues and expenditures of the State Budget of Ukraine for 1996 the funds of the State Innovation Fund and of its regional branches received as contributions from enterprises and economic organizations, while retaining their specific designation.

Article 19. To establish that domestic state loans in 1996 shall total 332.9 trillion karbovantsi, including the allocation of 128.4 trillion karbovantsi for the repayment of 1995 and 1996 loans and for the payment of income from these loans.

To issue domestic state loans in 1996 on an interest-free (discount) basis.

Article 20. Expenditures from the State Budget of Ukraine for servicing foreign loans, extended to juridical persons of Ukraine on terms of foreign exchange cost recovery and guaranteed by the Cabinet of Ministers of Ukraine, are subject to repayment by these juridical persons within the period of one month.

Should the recipient of foreign credit, guaranteed by the Government of Ukraine, fail to reimburse within the period of one month the expenditures of the State Budget of Ukraine arising as a result of covering by the guarantor of the amount owed on the loan, the Main State Tax Inspectorate of Ukraine, and the state tax inspectorates of the Autonomous Republic of Crimea, the oblasts, rayons, cities, and city districts shall at the request of the financial authorities with jurisdiction over the location of the borrower collect compulsorily from him the full amount of overdue payments, as well as a fine.

Article 21. Contributions from enterprises and economic organizations to the Fund for Implementing Measures To Liquidate the Effects of the Chernobyl Catastrophe and for Providing Social Safeguards to the Population shall be paid in accordance with the procedure and in the amounts established for 1995.

Article 22. To establish that in 1996 the tax imposed on owners of transportation means and other self-propelled machines and mechanisms shall be paid in the amounts stipulated by the Decree No. 34-93 of the Council of Ministers of Ukraine of 9 April 1993 "On the Tax Rates for Owners of Transporation Means and Other Self-Propelled Machines and Mechanisms," taking into account Article 18 of the Law of Ukraine "On the State Budget of Ukraine for 1995" and increased by a factor of 1.5.

Article 23. To establish that recalculations of the salaries and wages of pedagogical, medical, and scientific-technical workers, cultural workers and higher school instructors shall be made within the limits of the approved wage fund, calculated in accordance with Article 52 of the Law of the Ukrainian SSR "On Education," Article 77 of the Principles of Legislation of Ukraine on Health Care, Article 18 of the Law of Ukraine "On the Principles of State Policy in the Sphere of Science and Scientific-Technical Activity," and Article 28 of the Principles of Legislation of Ukraine on Culture, and those of auxiliary teaching and service personnel and specialists, based on the salary (wage rates) schedule established by the Cabinet of Ministers of Ukraine.

Reviews of salary (wage rate) levels in the indicated category of workers shall be conducted twice a year with quarterly indexation taking into account the rate of inflation in accordance with the procedure established by the Cabinet of Ministers of Ukraine.

Article 24. To establish that the state rates for fees charged for notarial services, provided by state notarial offices and executive committees of village, town, and city councils in accordance with points 3 and 4 of Article 3 of Decree No. 7-93 of the Cabinet of Ministers of Ukraine of 21 January 1993 "On State Fees" also apply to notarial services provided by private notaries.

Article 25. To establish that the funds from mandatory deductions into the Fund To Promote Employment of the Population may be allocated to finance the training of specialists provided by the Ministry of Education of Ukraine and other ministries and departments that have jurisdiction over educational institutions.

Article 26. To establish that dividends earned on shares of stock belonging to the state in joint-stock companies, which were formed in the process of the privatization and corporatization of state-owned enterprises, shall be included in the State Budget of Ukraine.

To allow the indicated funds to be allocated to cover the costs associated with the performance by authorized

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persons of functions involved in managing the state-owned stocks, shares, and portions of property of companies in accordance with the cost rates established by the Cabinet of Ministers of Ukraine.

Article 27. To establish that the Ukrhasprom [Ukrainian Gas Industry] Joint-Stock Company shall deduct into the State Budget of Ukraine from the fee paid for the through shipment of natural gas by pipeline across the territory of Ukraine an amount equivalent to $0.37 per 1,000 cubic meters of natural gas for each 100 kilometers of distance.

The indicated payments shall be made every ten days, based on the volume of gas transported across the territory of Ukraine.

Article 28. To give industrial and transportation enterprises and enterprises of the agroindustrial complex an extension until 1 December 1996 for the payment of taxes and payments into the budget and state extrabudgetary funds that were not paid by 1 January 1996 and on the amount accrued in fines, punitive and financial sanctions to enterprises and organizations as of 1 January 1996. The decision on the deferment of payments is adopted with respect to the amounts in arrears that have not been paid by the date on which the decision was adopted, without penalties and interest for the use of tax credits beginning from 1 January 1996.

To suspend until 1 January 1997 point 3 of Article 4 of Decree No. 8-93 of the Cabinet of Ministers of Ukraine of 21 January "On Collecting Late Tax Payments and Nontax Payments" and point 5 of Article 11 of the Law of Ukraine "On the Taxation System" in the portion pertaining to the deadlines for payment in 1996 of accrued fines and punitive and financial sanctions.

To establish that enterprises and organizations shall pay the fines and financial and punitive sanctions calculated on the basis of audits by auditing bodies in the current year in equal monthly installments throughout 1996.

That the Ministry of Finance of Ukraine shall approve the procedure for granting extensions on payments into the budget and state extrabudgetary funds and the deadline for the payment of the deferred amounts of payments, fines, and financial and punitive sanctions taking into account the financial conditions of enterprises.

To revoke Article 22 of the Law of Ukraine "On the State Budget of Ukraine for 1995" and Article 9 of Decree No. 8-93 of the Cabinet of Ministers of Ukraine of 21 January 1993 "On Collecting Late Tax Payments and Nontax Payments" regarding granting extensions and installment payment of taxes and nontax payments into budgets of all levels with respect to arrears occurring after 1 January 1995.

Article 29. To establish for 1996 expenditures for the maintenance of customs authorities totalling 6,300 billion karbovantsi and including 3,175 billion karbovantsi for wages. The indicated expenditures shall be made by the State Customs Committee of Ukraine in accordance with their quarterly apportionment approved by the Ministry of Finance of Ukraine from revenues into the accounts of the customs authorities from fines or the value of items confiscated in order to secure the collection of fines for violating customs regulations, penalties and other sanctions provided for by customs legislation, and cutoms duties.

The amount by which revenues from the indicated sources of income exceed the actual cost of maintaining the customs authorities in accordance with the quarterly apportionment of these costs shall be transferred by the State Customs Committee of Ukraine into the State Budget of Ukraine every quarter by the 15th of the first month following the reporting month.

To establish that the revenues from customs duties on goods that are imported or exported by citizens across the customs border are included into the State Budget of Ukraine.

Article 30. To grant the State Committee of Ukraine for Material Reserves the right to collect compulsorily from juridical persons responsible for maintaining custody over the physical assets of state reserves for the unauthorized alienation (use, sale) of material resources a fine amounting to 100 percent of the value of the material resources at the prices in effect at the time that an instance of alienation is discovered, as well as a penalty in the amount of 0.5 percent of their value for each day until the full amount is repaid. The indicated funds shall be credited to the State Budget of Ukraine and shall be used to finance the state reserves.

Article 31. To establish that in 1995 [as published] the State Customs Committee of Ukraine shall collect and control the accuracy of calculations and on-schedule payment of value-added taxes and excise taxes on goods imported into Ukraine according to existing rates for customs clearance of such goods, while also collecting customs duties and charges. In the case of goods that are imported into Ukraine, value-added tax is imposed on the customs value of such goods taking into account customs duties and charges (and in the case of goods subject to excise tax, also the amount of the excise tax), and excise tax is imposed on the quantitative indicators or the customs value of such goods taking into account customs duties and charges in accordance with acting legislation.

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Article 32. To extend the validity for 1996 of articles 12, 16, 24, 25, and 39 of the Law of Ukraine "On the State Budget of Ukraine for 1995."

Article 33. To exclude from point 5 of the second part of Article 19 of the Law of Ukraine "On the Local Councils of People's Deputies and Local and Regional Self-Government" the words: "terms of remuneration for the work of aparat employees."

Article 34. That part eight of Article 33 of the Law of Ukraine "On Government Service" shall read as follows:

"The source for forming the wage fund for government employees is the State Budget of Ukraine and other sources designated for this purpose by statutes on the bodies of the state executive branch approved by the dicts of the president of Ukraine and the decrees of the Cabinet of Ministers of Ukraine."

Article 35. To revoke Article 48 of the Law of Ukraine "On Education" in the portion concerning the payment of full remuneration to students of vocational and technical schools for jobs performed during their vocational education and practical training. To establish that the procedure for remunerating the work performed shall be defined by the Cabinet of Ministers of Ukraine.

[Signed] President of Ukraine
L. Kuchma
Kiev
22 March 1996

Ukraine: State Treasury Misusing State Innovation Fund

WS2204085296 Lvov INFOBANK in English 0632 GMT 22 Apr 96

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — In an interview with INFOBANK the head of the State Innovation Fund, Vyacheslav Husyev, complained that Ukraine's State Treasury, in taking on the functions of the State Innovation Fund, is collecting money from businesses (0.3 percent of the value of their production) claiming that it is for the fund. According to Mr. Husyev the State Treasury is using these funds to "mend holes" in the budget.

So far Kbv [karbovantsi] 7 trillion has been collected in this manner. Previously such payments made to the fund were made directly to its account.

On April 18, after having examined the State Innovation Fund's activities regarding support for and the implementation of technical research plans and the development of new competitive products, the Cabinet of Ministers' presidium acknowledged the State Innovation Fund as the only one which actually supports innovative processes in the economy, above all at the regional level.

Ukraine: Deputy Criticizes Financial System

WS3004103996 Kiev KIYEVSKIYE VEDOMOSTI in Russian 22 Apr 96 p 7

[Article by Volodymyr Lanovyy: "A State's Strength Lies in Its Financial Health"]

[FBIS Translated Text] The Ukrainian Supreme Council will soon examine a monetary reform concept for 1996. After the national budget was approved, problems connected with the issuing of money, credit relations with international financial organizations, and macroeconomic financial stabilization are becoming increasingly important. Volodymyr Lanovyy, the prominent economist and legislative deputy, presented his point of view on this and other problems.

The problem in question is as important as the tasks connected with national security, economic revival, and human survival. One can proclaim one's own monetary unit, national budget, and the central bank, as well as to set up a national financial control institutions and single-handedly set exchange and interest rates. This, however, does not yet mean that we have a real financial system operating in our country. There are several main reasons crippling Ukrainian finances and preventing people from living well and enterprises from generating profits.

Budgetary Anarchy and Chaos

The budget is being torn out into pieces by numerous ministries. The chronic overspending disturbs the dynamics of prices and exchange rates, and distorts financial procedures, which benefits influential economic and political groups. In our country, prime ministers and finance ministers always freely moved money from one [budget] item to another, indiscriminately granted interest-free loans, played a game of currency conversion and Russian payments with government money (especially in 1991-94). Until now, all gaps in the budget are easily and extensively bridged by the money-printing machine. We are witnessing the pervading bureaucratization of the financial system, with fiscal interests becoming more important than economic growth and well-being.

The budget is always approved with delays, leaving social programs without funding, and failing to finance national and local needs. Meanwhile, the Cabinet of Ministers feels, as a rule, no responsibility (proposed budgets are not made public, while the 1994 report was examined in early 1996).

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As a matter of fact, the budget system shows that our state has not become democratic. The bureaucratic apparatus has an absolute right to manage finances without any control, and all the taxpayers' rights are trampled by its bureaucratic boot.

The Tax "Tribute"

It is imposed on everything that is capable of making good products. Taxes are not just extraordinary in their amount — nowhere in the world can you find such exorbitant rates of value-added-tax, excise tax, and import duties (from 60 percent to 250 percent of prices). Taxes are imposed on all sources of development, all purchases and transactions, all elements of production and consumption, and all natural resources (our contaminated air is so far exempt). Every ministry and institution invents a tax to suit its own needs. Local officials also remember this — in towns and villages, at the customs offices, in banks, state institutions, and so on. Taxes are even imposed on other taxes (value-added tax on import and excise levies, social insurance contributions on income tax). The same income is burdened by taxes several times over. Ministerial instructions artificially lower costs of amortization, wages, new equipment, training, management, and advertising, so that ministries could later receive more money from enterprises by administering a higher income tax.

Speaking about democracy, the guilt of taxpayers does not need to be proved in court, because the tax regulation decides this on its own. The presumption of innocence is nowhere to be seen.

Pressed by this formidable tax burden, millions of people prefer to risk their freedom rather than be left without means of subsistence. The shadow economy is expanding, forcing out legal finances.

No Payment Discipline and Normal Price Policies

Enterprises find it normal to refuse paying for products delivered to them (the overall credit indebtedness exceeds 3 quadrillions karbovantsi [K]) and delay their payments to the national budget (revenues account for 65 percent of the expected amount). The authorities delay financing for hospitals, schools, universities, institutes, cultural institutions, and military units. Recipients of imported gas think that its consumption can be free (the industry and agriculture are 30 percent solvent).

There is no trade and production without payments. Exporting is more profitable than selling domestically. The system of internal relations is being destroyed and a national market is not being created. Our national currency means nothing — Ukraine does not yet have its own real money.

One can see negative results of the rigid state policy regarding prices and wages. All efforts are concentrated exclusively on "macroeconomic policy," and not on its fundamentals. For example, price measures are virtually not accompanied by the regulation of income and monetary savings. This has resulted in immense distortions. Monopolists charge exorbitant prices for goods and services, including gas, electricity, heat, office space, housing, communications, transportation, and banking services. On the other hand, state duties, administrative fines, prices for certain papers, agricultural products procured by the state, and so on are excessively low. Differences in wages — between different branches, low- and high-paid employees, and state and private enterprises — are not justifiable.

In this situation, you cannot have a real market. The solvent demand [platezhesposobnyy spros] in various economic sectors is artificially set at significantly different levels. As a result, free prices are also distorted and capital profit can be projected only conditionally. This is why structural transformations are not conducted based on precise guidelines.

Today, we still are in need of a regulatory financial redistribution, limits for wages funds in state sector branches, a preservation of the mandatory minimal level of individual income, and an efficient and just tax control to put income distortions straight. We also need to install controls over monopolists' prices — regardless of how close their connections may be with state power.

There Is No Order in the Monetary and Currency System

Instead of moving horizontally — from buyers to sellers, from creditors to borrowers, and from depositors to investors — our money circulates vertically. The state gives away credits (sometimes for free!), finances purchases, invests in agriculture against [future] crops, supports working capital of enterprises, and repays their bad debts. In 1996, another tendency has appeared — huge state loans (K332 trillion) to finance — again — centralized needs. There will be less credits on the market. Instead of investments, the money will go to patch up new holes. Neither people, nor agricultural workers, or industrialists, or transportation workers will be able to buy expensive equipment on credit. In addition, giving credits is a risky business, and the banks have very limited resources. Until recently, their capital funds have been artificially kept from growing. At present, only 14 banks have an authorized fund exceeding 1 million ECU. The shortage of credit capital is worsened by the low liquidity of assets owned by enterprises and their scarce securities — which could be used to settle accounts (bills, shares,

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obligations), as well as by the state saving-stimulation policy. Also delayed were measures to compensate the eroded (by 30,000 times) saving deposits. Compensation certificates do not help recover savings and, most importantly, do not increase the property subject to free privatization [besplatnaya privatizatsiya]; instead, they diminish its value, which is represented by privatization certificates [as published].

Both domestic and foreign debts of the state are growing. This is occuring at a time when practically in all previous years exports were higher than imports. (Over the past four years, debts jumped from nothing to $8 billion). Debts are caused by the incomplete inflow of hard currency in the domestic market, inconvertibility of the national currency outside Ukraine, and the chronic instability of its exchange rate. With the padded exchange rate of the karbovanets, the situation cannot be different. The currency offer on the stock exchange is excessive thanks to foreign credits. Foreign currencies are sold at a forced exchange rate, while capital profits gradually sag as a result of conversion into Ukrainian money. Exporting to CIS countries is not profitable because of the weakness of their money and the lack of evaluations of deals in hard currency. This is why they resort to barter operations. However, goods coming to Ukraine as payment, sometimes a forced one, are not always in demand here.

In such conditions (a padded exchange rate, inconvertibility of the national currency, the weak money of CIS countries receiving our goods, and excessive import duties), export becomes an unprofitable business, which explains its slow growth — despite the fact that selling domestic products profitably inside the country is impossible.

A Scenario for the Karbovanets: Russian? Belarusian?...

The emerging Ukrainian financial system is extremely volatile. The guilt for that should be evenly split among the executive, legislative, and judicial branches of power. There are no solid and mutually compatible laws, no integrity on the part of judges and prosecutors, no administrative responsibility or initiative on the part of top officials. One should not expect that problems will take care of themselves and that the "market [economy] will set everything right."

If we fail to create a full-fledged financial system, two extremely pessimistic scenarios are possible: a dollar-financed "mafionization" (Russian style) of finances that would later force out the Ukrainian karbovanets, or, the Belarusian way of relations with Russia.

Meanwhile, a solid legal basis of the financial system and the executive bodies professionally controlling and regulating it would save the national economy from collapse, prevent it from becoming a colony, and stop the spread of a home-spun or international mafia in the country.

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Belarus

Belarus: Lukashenka Absence From Moscow Summit Indicates Isolation

WS2904105096 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 25 Apr 96 p 2

[Commentary by Yuras Karmanaw under the "Scandal" rubric: "No, Gentlemen, I Am Not For You..."]

[FBIS Translated Text] **The G-7 leader's refusal to see Alyaksandr Lukashenka at their regular summit in Moscow on 20 April was the logical sequel of the Belarusian president's domestic and foreign policy, which can hardly be suspected of devotion to Western democratic values.**

The scandalous nature of this fact was emphasized by two circumstances. First of all, the summit was devoted to nuclear safety, and the exclusion of the leader of a country which suffered most from a nuclear accident was quite a blatant step. Second, the invitation to the Ukrainian president to attend the summit completely dissipated doubts about Western leaders' assessments of the Belarusian president and his policy.

The fact that during his last news conference, Alyaksandr Lukashenka answered in the affirmative to a REUTER correspondent's question as to whether he was going to attend the G-7 meeting adds particular flavor to this story. The perfidy of the sharks of world imperialism made the Belarusian president change his plans.

Commenting on this situation, Pyotr Krawchanka, chairman of the Parliamentary Commission for Foreign Affairs, told a BELORUSSKAYA DELOVAYA GAZETA correspondent that the refusal to invite Lukashenka to Moscow was one of the symptoms indicating the international isolation of Belarus. Additionally, Mr. Krawchanka reported that, according to his information, the Belarusian president had asked the Russian president to give him the right to participate in the summit. However, Boris Yeltsin did not manage (or did not want) to convince the Western leaders of the need to invite Lukashenka to Moscow. According to the foreign affairs commission chairman, the Western leaders were unanimous in their unwillingness to meet with the Belarusian president.

Observers note that on the eve of the presidential elections, support for Boris Yeltsin as a guarantor of democratic reforms in Russia will become a leitmotif of the G-7 meeting in Moscow. The phrase "democratic reforms" is being particularly emphasized. The appearance of the Belarusian president, in whose mouth the words "democracy" and "reforms" sound like swear words, would have looked strange, at the very least.

Against the background of the Moscow debate on a moratorium on nuclear tests, the Belarusian president's recent statements about the possibility of halting the withdrawal of nuclear weapons is case of the deployment of nuclear warheads in Poland seemed completely pointless. Plus, the presence of Alyaksandr Lukashenka would have placed Boris Yeltsin in an awkward situation; he would have had to explain to his Western partners integration with a country whose leader admires the domestic policy of Adolf Hitler.

Belarus: Foreign Minister Addresses Human Rights in Geneva

WS2904140496 Minsk NARODNAYA GAZETA in Belarusian 26 Apr 96 p 7

[Unattributed report: "Uladzimir Syanko: 'The Policy of Integration With Russia Is a Policy of the Belarusian Nation, and for the Belarusian Nation...'"]

[FBIS Translated Text] On 18 April, Belarusian Foreign Minister Uladzimir Syanko delivered a report at a regular 52nd session of the UN Commission for Human Rights, which was held in Geneva.

In his speech, the foreign minister stressed that the concept of human rights has a rich history. But only within the UN framework have the efforts of the international community — aimed at the creation of an efficient system to protect human rights — been crowned with success. A collection of UN-drafted international norms and standards in this area serves as a basis for the entire system of mechanisms for protecting human rights, thanks to which the peace on our planet has become more stable and the freedom of the individual has become more guaranteed.

Uladzimir Syanko said that Belarus's position on human rights remains unchanged and consists in the observance of human rights — regarded as an inalienable condition for keeping international peace and security, as a significant element in preventive diplomacy, and as an important means to resolve international disagreements and arguments. Belarus welcomes an international dialogue on human rights and is ready to cooperate in this area.

Dwelling on the problem of refugees and migrants, the Belarusian foreign minister said that their current number in Belarus is over 200,000. Given the difficult economic conditions, the state cannot guarantee that it will observe social and economic rights of these people through its own means. Only joint efforts of the entire world community can bolster the resolution of this difficult problem. A preparatory conference on CIS refugees and migrants, which will take place from 5

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through 8 May in Minsk, will be one of the stages in the development of a global UN strategy in this area.

Characterizing the domestic situation in Belarus, Uladzimir Syanko said that the Belarusian leadership in their actions proceeds from the fact that democracy as form of political system is one of the primary conditions for the full realization of human rights. Regarding the protection of human rights, this is regarded by Belarus as one of the mandatory conditions for true and stable development. The political climate in Belarus is characterized by an absence of extremist parties and movements which cultivate violence, intolerance, and xenophobia. Civil peace and order are ruling the country, thus creating favorable conditions for observing human rights.

The minister stressed that, according to the Belarusian Constitution, an individual is the highest value of society and of the state, and the ensuring of his freedoms and rights is the highest aim of the state. The Belarusian Constitution guarantees to all individuals such fundamental rights as the right to life, liberty, and to personal security, the freedom of conscience, the freedom of opinions, and the freedom of convictions, as well as the right to voice them freely.

Members of the UN commission were informed that the Belarusian legislature has adopted laws on citizenship, on the freedom of denomination, on religious organizations, on national minorities, on refugees, and on the rights of children. The state is striving to reduce to a minimum the unfavorable social consequences of the transition to a market economy by ensuring social, economic, and cultural rights of people to the maximum degree. The minister assured participants in the session that despite serious difficulties, the Republic intends to continue to make every effort in order to ensure human rights and freedoms envisaged by its Constitution.

In his report, Uladzimir Syanko expressed his confidence that the integration of Belarus and Russia will positively influence the observance of human rights in our country. The rapprochement between our two states became a result of a clearly expressed will of the overwhelming majority of the Belarusian people. This will is not only based on our nostalgia. It is based on a clear realization of our own economic, political, cultural, and finally, individual interests. Hence, the Belarusian-Russian rapprochement does not threaten human rights in Belarus, but on the contrary, provides a solid basis for them. The experience of European integration — particularly, the practice of a flexible combination of common economic and cultural space with the preservation of the sovereignty and the historic uniqueness of the states — has been used as a basis for this rapprochement.

The policy of close integration with Russia, said U. Syanko, is a policy of the Belarusian nation and the policy for the Belarusian nation, for each Belarusian citizen. The entire policy of integration is based on the UN Charter and on the General Declaration of Human Rights.

The created Community of Sovereign Republics [SSR] guarantees Belarusian and Russian citizens absolutely equal rights in the spheres of social security, employment, health protection, purchasing property, and housing construction. In any part of the SSR, Belarusian citizens will have the same rights as at home. This is a very substantial and true guarantee for observing human rights because without the relevant material and legal basis, human rights will become an empty declaration.

In conclusion, the foreign minister assured the members of the UN commission that the world community can rely confidently on Belarus's goodwill in the noble task of protecting human rights.

Belarus: Minsk TV Cites Clinton Telegram to Lukashenka

WS3004113196 Minsk BTK Television Network in Belarusian 1800 GMT 26 Apr 96

[Announcer-read report]

[FBIS Translated Text] U.S. President Bill Clinton today sent a telegram to Alyaksandr Lukashenka. Esteemed Mr. President, the telegram says, now that we are commemorating the 10th anniversary of the tragic events at the Chernobyl nuclear power plant, it is the most appropriate moment to think about the scale of this tragedy and to redouble our efforts to prevent a repeat of such an accident. I appreciate the Belarusian people's efforts to cope with this unprecedented problem which affected millions of people of all ages. The Republic of Belarus suffered much from the accident, and we are pleased by the goodwill and support displayed toward the Chernobyl victims by the international community. The U.S. Government has also made its contribution to the rescue efforts by delivering pharmaceuticals and medical equipment to the victims of the Chernobyl accident. The United States continues to support the joint efforts by U.S. and Belarusian doctors to better understand the problem. Now that we mourn those who gave their lives and sympathize with those who still feel the effect of the Chernobyl disaster, let me inform you, on behalf of the American people, of our wish to contribute to health care treatment, ensure preventive measures, and give hope, the U.S. President's telegram says.

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Belarus: Lukashenka Assails Demonstrators; Ukraine Involvement

LD2904173796 Moscow INTERFAX in English 1610 GMT 29 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Alyaksandr Lukashenka said he will impose a temporary ban on rallies and demonstrations.

He gave to understand in an interview with Interfax that the manifestation by the right-wing radical opposition Belarusian Popular Front, scheduled for May 1, "will either not take place at all, or be qualified as illegal, while the organizers will be punished."

"One must work, not hold meetings," said Lukashenka.

He qualified as uproar and agony of the sick people who put themselves outside the law the Friday anti-presidential demonstration in Minsk during which clashes occurred between the participants and the riot police, and several people were injured.

The unauthorized meeting near the Minsk Sports Palace, which involved about 30,000 people, adopted a resolution demanding Lukashenka's resignation.

"Thank God they did not use weapons. These people are armed to the teeth," said Lukashenka referring to the organizers and active participants in the disturbances.

A high-ranking representative of the Belarusian Interior Ministry told Interfax that the law-enforcement bodies had detained more than 200 participants in the Friday meeting. He said among those detained there were 12 representatives of Ukraine's ultra-nationalist movement UNA-UNSO who acted as "the strike force of the demonstration". (Leader of UNA-UNSO's executive committee Viktor Melnikov alleged that 50 members of this organization went to Belarus).

All of the detainees will be tried and punished, said the source.

The Belarusian Prosecutor-General's Office told Interfax that charges of obstructing the traffic in the center of Minsk and inflicting material damage on the city had been brought against organizers and participants in the unauthorized meeting. Criminal proceedings are to be started against five organizers, deputies of the former parliament and the most active participants in the manifestation.

Meanwhile, Ukraine's Popular RUKH has urged the governments of the European countries "to give an objective assessment" of the conduct of the Belarusian leaders who "savagely dealt with the participants in the events commemorating the 10th anniversary of the Chernobyl accident."

RUKH also urged the Ukrainian leaders to "change relations with Minsk, recall the Ukrainian ambassador from Belarus and boycott international events involving dictator Lukashenka and his representatives."

RUKH's appeal, signed by its leader Vyacheslav Chernovil, says that the policy pursued by the Belarusian leaders is "a policy pursued by an aggressive regime which has resorted to ruthless terror against the people who are struggling for the right to live in an independent an democratic state."

Belarus: 26 Apr Events Said To Delay Council of Europe Membership

WS3004081196 Minsk Radio Minsk Network in Belarusian 0300 GMT 30 Apr 96

[FBIS Translated Text] The events that took place on 26 April in Minsk do not allow to hope for the quick admission of Belarus to the Council of Europe, Heorhiy Malumaw [Belarusian Supreme Soviet deputy chairman], Petr Kravchanka [former foreign minister], and Syarhey Kalyakin [leader of the Belarusian Communist Party], who participated in a session of the Council of Europe Interparliamentary Assembly, said yesterday at a news conference in the [Belarusian] Supreme Council. The deputy legislative speaker even emphasized that such things are admissible for others on 364 days of the year, but not on 26 April; Syarhey Kalyakin cited the examples of Albania and Turkey. In his opinion, [human] rights there are violated much more seriously than in Belarus; this, however, did not prevent them from becoming members of this major international organization. Syarhey Kalyakin also noted that the authorities forbade the Belarusian communists to hold a demonstration on the 1 May Labor Day, but they will hold a rally on Independence Day in Minsk.

Belarus: Committee Appeals to Yeltsin To Stop Human Rights Abuses

WS3004082296 Minsk BELAPAN in English 0712 GMT 30 Apr 96

[FBIS Transcribed Text] Minsk, 29 April — In view of the April 26 events in Minsk the Belarusian Helsinki Committee has applied to the president of the Russian Federation, Boris Yeltsin, for the use of "his great political and human experience and authority to stop the flagrant violation of human rights in Belarus". "The persecution of the democratic-minded part of Belarusian society leads to the destabilisation of the political situation in the centre of Europe," the Committee's appeal reads. It expresses deep concern about "the fact that

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there are attempts to ban any public expression of political views, which are more and more frequently of anti-Russian character. While dispersing rallies and peaceful processions armed units for special missions provoke anti-Russian moods when they ignore those addressing them in the Belarusian language. During the intrusion into the Belarusian Popular Front (BPF) headquarters special units scoffed at the national symbols of Belarusians." The Committee asked the Russian president for assistance in getting access to the Russian media with intentions to offer true information about events in Belarus.

Belarus: Minsk TV Portrays 26 Apr Protesters as 'Wild Animals'

WS2904144296 Minsk BTK Television Network in Belarusian 1800 GMT 26 Apr 96

[Report over video by I. Khrushchova]

[FBIS Translated Text] For certain Belarusian political forces, today's 10th anniversary of the accident at the Chernobyl power plant, sorrowful and sad for all normal people, became a theatrical performance. As everyone knows, an initiative group comprising Deputies Karpenka, Khadyka, Shushkevich, and others were obsessed by the idea of organizing an alternative march along Skaryna Street. The initiative group proposed to hold a rally near the Palace of Sports, and there was no ban on holding such an event. Nevertheless, the opposition forces decided to march along their own path, which was not understandable for the majority of people.

So frenzied enthusiasts, including drunk students, idle pensioners, and other loafers gathered in near the Academy of Sciences, where, by the way, today's entire show began. There was an impression that they came expecting adventures and sensations, and not to commemorate the Chernobyl victims. I do not know what guided the people's deputies who organized the rally, given that having managed to gather a small crowd, they tried to run the rally by sitting in a car and, apparently, appealing for order. This order, however, was transformed into a bizarre spectacle. The rally participants, who no longer heard any appeals and requests, behaved like wild animals. They overturned cars and wiped out everything in their way that prevented them from moving toward an unknown direction, because nobody in this crowd remembered any longer about the 10th anniversary of the Chernobyl disaster or the fact that as recently as an hour ago all of them had been human beings.

During this march, there was no talk about Chernobyl at all. They shouted senselessly, having no idea about the purpose or meaning of their statements. All of this did not resemble a Chernobyl Path [the official name of the event], but a path into an abyss selected by a part of the opposition and their not-so-bright sidekicks. It is not at all understandable what these Belarusians, who — like all of us — live in a country which suffered most from Chernobyl's radiation, wanted to prove by this action. It seems that someone else's tragedy has become a political game for these people.

Incidentally, this game became a horror for many. There were victims, and among them the ATN [Television News Agency] crew. We did not manage to complete our report, because for some people the overturned cars seemed to be not enough, and they broke our camera. [end Khrushchova] [Video shows people marching down the street under white-red-white banners, closeups of Deputy Shushkevich and unidentified speaker sitting in a car with microphone, crowd overturning a police car cordoned off by riot police, and wounded people treated by paramedics]

[Announcer] Nonetheless, our correspondent managed to collect some information about the rally. According to him, around 8,000 supporters of [Belarusian Popular Front Chairman] Paznyak's ideals gathered near the Palace of Sports in Minsk. The rally opened with a brief five-minute speech by Supreme Soviet Deputy Chairman Henadz Karpenka, who, as far as we know, left his supporters after the speech. Following this, the floor was taken by orators who are well known from such gatherings — Khadyka, Znavets, Marashkin, and others. As always, they spoke about everything they wanted. Of course, Paznyak, who returned today from a foreign trip, took the floor, too. The latter distinguished himself by proposing to honor the great hero of the Chechen people, Dzhokhar Dudayev. At the end of the rally, there were approximately 3,000 to 4,000 people near the Palace of Sports.

Belarus: Minsk TV Deems 26 Apr Rally 'Turning Point'

WS3004103896 Minsk BTK Television Network in Belarusian 1800 GMT 27 Apr 96

[Video report by Zmitser Kostsin]

[FBIS Translated Text] Yesterday [26 April] became a turning-point in the Republic's life. The Belarusian capital did not witness such things even on the famous Ancestor's Day of 1989 [clashes between the opposition and police at the Kurapaty memorial to KGB victims]. Although before these events many people thought that a confrontation among Belarusians was impossible, this has become reality which was recorded by the impartial eye of a television camera: injured people and

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overturned cars of the highway patrol police — this is the Belarus of 1996.

Incidentally, journalists had a particularly hard time during these events. They ended up between the steel shields of special purpose police detachments and the close ranks of the opposition members who were somewhat reinforced by representatives of Ukraine's UNA-UNSO [Ukrainian National Assembly-Ukrainian National Self Defense]. This resembled a collision with no winner, because a Belarusian lifted his hand against his compatriot. Even if one does not like the media coverage of some events, one should not beat up journalists because the result of this may be a blank screen on your television set. In this case, they did not ask us what television or radio station we represented. A fist and a club were the primary arguments against correspondents. Yesterday we saw hatred equally directed toward both the state and opposition press.

It seemed that the participants forgot that it was a day of national grief, and their speeches were addressed to various people and in different tones. There even were statements which were not understandable to normal people.

[Begin Belarusian Popular Front Chairman Zyanon Paznyak recording] I suggest commemorating the memory of the great hero of the Chechen people who died for freedom, Dzhokhar Dudayev, with a minute of silence. [end Paznyak recording]

We will leave this without comment, because we are yet to think many things over. People's memory has a strange feature: it forgets the good but remembers the bad. Although 26 April has become history, not only historians have become interested in these events.

[Begin A. Salavets, deputy chairman of the Minsk City Executive Committee Internal Affairs Directorate, recording; in Russian] There is the very well known Article 186.3 of the Penal Code which says that the organizers of and active participants in events which grossly violate public order and which are accompanied by attempts to obstruct public transport — which evidently occurred yesterday — and disobeying the legitimate demands of the representatives of the authorities...[thought not finished] And nobody will deny that the police represent the authorities... Our demands were completely legitimate and based on the law on rallies, the Penal Code, the Constitution, and a decision by our city's executive committee. Therefore, there is evidence of the crime that I mentioned. As far as I know, the prosecutor's office has instituted criminal proceedings. [end Salavets recording]

The latter was about the criminal proceedings against the mass disturbances. The Minsk City Executive Committee Justice Directorate assesses these events in light of the question whether it is possible to cancel a registration or revoke a license.

[Begin M. Padleski, chief of the Minsk City Executive Committee Justice Directorate, recording] This has not been ruled out, because for a long time a number of public organizations which committed such violations — although they assumed the responsibility to ensure order and the law — made them responsible for this.... As it has already been said, they deliberately violated the law to organize these events. [end Padleski recording]

You must agree that the phrase mass disturbances in Minsk sounds unnatural to our people, but this is the sad reality of our life. The Rubicon has been crossed.

Belarus: Detained Front Leaders Face Up To 15 Years Imprisonment

WS3004080996 Minsk BELAPAN in English 0712 GMT 30 Apr 96

[FBIS Transcribed Text] Minsk, 29 April — On Sunday, April 28, Advocate Nadzezhda Dudareva has managed to meet with the deputy chairmen of the Belarusian Popular Front (BPF), Yuryy Khadyka and Vintsuk Vyachorka, who are held in custody in the Minsk-City Board of Internal Affairs, Dabramyslenski Lane. As the advocate told a BELAPAN correspondent, her clients went on hunger strike immediately after their detention. The rumours that they were beaten, which were spread by their relatives and colleagues, have not been confirmed. But the advocate says a violation of the law has been committed against her clients. At the beginning they were told that they were questioned as eye-witnesses, and criminal proceedings instituted against them are antedated. Mrs Dudareva has made a complaint to the Attorney General about the illegal detention of Khadyka and Vyachorka.

According to information received, they may be made answerable according to Articles 186/3 and 76 of the Criminal Code. The former envisages imprisonment of up to three years or forced reforming labour during a period of up to two years or a fine for "the organisation or participation in group actions flagrantly violating public order or accompanied with an evident disobedience of lawful demands by representatives of the authorities, or entailing disturbances in transport circulation and the functioning of state and public enterprises, organisations and institutions". The latter stipulates imprisonment in a range between 2 and 15 years for "the organisation of mass disturbances accompanied by pogroms, destructions, arson and other illegal actions, as well as the direct

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perpetration of the above-listed offenses or resistance to the authorities".

According to Valyantsin Astashynski, Secretary of the BPF Board, the detainees' relatives can be given information about them, calling 272-124 to the Minsk-City Board of Internal Affairs. This was announced to tens of people who gathered at the building of the Board on the morning of April 28. Participants of this improvised rally decided to form public committees in defence of the detainees, start a collection of signatures in support of them, and apply to various national and international bodies — from the General Prosecutor's Office to European human right protection organisations.

At approximately 11.40 a.m. on April 29 proceedings started against participants in the Charnobylski Shliakh action in the militia station on Akrestsin Street. Reporters were not admitted to the station. A BELAPAN correspondent predicts that 50 personal cases will be considered this day.

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Kazakhstan

Kazakhstan: Nazarbayev Hails China Border Agreement

LD2704191696 Almaty Kazakh Television First Program Network in Russian 1400 GMT 27 Apr 96

[Interview with Kazakh President Nursultan Nazarbayev by unidentified correspondent on board an aircraft on 27 April — recorded]

[FBIS Translated Text] [Correspondent] Nursultan Abishevich, they say that there is a proverb that a close and kind neighbor is better than a distant relative. To what extent have our relations with our great neighbor advanced in connection with the signing of the five-party agreement.

[Nazarbayev] A treaty on trust on the 800-kilometer-long border in the military field was signed. I think that it is unprecedented. There will not be any military actions or concentration of troops 100 kilometers from each border in each state. If military exercises are to be held, observers from both sides will be invited. Everything that is going to be done will be announced. This shows that a situation of normal trust and good-neighborliness is developing on the borders.

Kazakhstan: Nazarbayev, Yeltsin Pleased With Oil Export Deal

LD2904174396 Moscow INTERFAX in English 1610 GMT 29 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Kazakhstan, Russia and Oman have agreed to reorganize the Caspian pipeline consortium set up to export Kazakh oil through Russian terminals on the Black Sea.

A protocol to this effect was signed by the consortium's board of directors in Almaty last Saturday. The document was signed by Russian Minister of Fuel and Energy Yuriy Shafranik, his Kazakh counterpart Nurlan Balghymbayev and Oman's government official.

Kazakh President Nursultan Nazarbayev told journalists that "today we finally resolved the consortium issue."

He believes that "with the beginning of work to build the pipeline from the northern part of the Caspian Sea to Novorossiisk (Russia), all insinuations about the routes of transportation of Kazakh oil will stop."

Nazarbayev said the pipeline will become operational in two to two and a half years.

For his part, Russian President Boris Yeltsin, who was in Almaty on a one-day visit en route to Moscow from China, noted that "for a long time Russia was dissatisfied with the distribution of shares in the consortium... But now we are satisfied with our share." IF Note: Russia's interest in the consortium will be 24 percent, Kazakhstan 19 percent and Oman 7 percent. The project will also involve leading U.S., European and Russian companies which will hold 50 percent of shares, including America's Chevron 15 percent, Mobil 7.5 percent and Oryx 1.75 percent; Russia's LUKoil 12.5 percent and Rosneft 7.5 percent; British Gas 2 percent; Italy's Agip 2 percent; and Kazakhstan's Munaigaz 1.75 percent.

Previously, Russia held a 34 percent stake, and Kazakhstan and Oman 33 percent each.

Experts believe that the reorganization of the new deal will meet Kazakhstan's oil transportation needs. Kazakhstan plans to extract up to 50 million tonnes of oil by the turn of the century, the bulk of which will go through the Caspian pipeline.

At the same time, competent sources in the consortium leadership told Interfax-PIA that the board of directors "does not rule out" the possibility that Oman may leave the consortium and assign its stake to other partners.

Yeltsin stressed that such a decision "works for the benefit of Russia and Kazakhstan."

Assessing relations between the two countries, Yeltsin pointed out that "we have neither political, nor economic, nor financial, nor international problems."

He described relations between Almaty and Moscow as "friendly relations which are facilitated by my long-time friendship with Nursultan Nazarbayev."

During his visit to Kazakhstan, Yeltsin and Nazarbayev also signed a joint declaration and a statement on cooperation in the use of the Caspian Sea.

Nazarbayev expressed the hope that the document on the Caspian Sea will help determine, in the near future, the status of the sea, adding that the foreign ministries of the two countries have already been instructed to step up this work.

The two sides also signed intergovernmental agreements on guarantees of pension rights for the residents of the city of Baikonur, Kazakhstan; on the establishment of enterprises to make diesel engines; and on measures to establish a transnational financial and industrial group Elektromedpribor.

Commenting on the results of Yeltsin's brief visit to Kazakhstan, one of the members of the Russian delegation stressed the importance of the two leaders' analysis of prospects for cooperation following the signing of an

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agreement on the deepening of economic and humanitarian integration among Russia, Kazakhstan, Belarus and Kyrgyzstan.

The official said that a good deal of attention during the talks had been paid to the status of ethnic Russians in Kazakhstan.

The two sides also discussed cooperation between Russia and Kazakhstan in the international arena and the United Nations.

The official stressed that the sides had hailed the dynamic and onward development of Russian-Kazakh relations and the high degree of understanding. They also confirmed their commitment to continue to contribute, in a constructive way, to the efforts aimed at strengthening integration among CIS states.

Kazakhstan: President Renews Offer To Mediate in Chechnya

LD2904152996 Moscow INTERFAX in English 1258 GMT 29 Apr 96

[FBIS Transcribed Text] ALMATY, April 29 (Interfax) — Kazakh President Nursultan Nazarbayev told a joint session of parliament in Almaty Monday that he was still ready to act as a mediator in the settlement of conflict in Chechnya.

Nazarbayev said he continued consulting with the Russian leadership on the need to undertake concrete steps to stop the bloodshed. Russian President Boris Yeltsin also touched on this subject during his stay in Almaty last Sunday, he said.

"The Russian leadership is looking for new approaches to the settlement," Nazarbayev said. However, he quoted Yeltsin as saying that "now it is hard to negotiate, because many dispersed groups have emerged in Chechnya after Dudayev's death."

Kazakhstan is also against "any kind of separatism and revision of borders," he said.

Kazakhstan: Accord Reached on Reorganization of Caspian Pipeline

LD2704153996 Moscow INTERFAX in English 1241 GMT 27 Apr 96

[FBIS Transcribed Text] ALMATY, April 27 (Interfax) — Russia, Kazakhstan, and Oman have agreed to reorganize the Caspian Pipeline Consortium, set up to ensure the export of oil from Kazakhstan to a terminal on the Russian coast of the Black Sea.

By a protocol of the Consortium board of directors, signed in Almaty Saturday, major U.S., European, and Russian companies share 50 percent of the consortium, and the three consortium founding countries control the remaining 50 percent interest in the consortium: Russia 24 percent, Kazakhstan 19 percent, and Oman 7 percent.

The protocol was signed by Russian Fuel and Energy Minister Yuriy Shafranik, Kazakh Fuel and Oil Minister Nurlan Balgimbayev and representative of the Oman government Bin-Sultan.

Under the April 27 protocol, Russia's LUKoil will have a 12.5 percent stake in the consortium and Russia's Rosneft a 7.5 percent stake. U.S. Chevron will have a 15 percent interest, U.S. Mobil - 7.5 percent, and U.S. Oryx — 1.75 percent. British Gas will have a 2 percent stake. Italy's Agip will also have a 2 percent interest. Kazakhstan's Munaigaz state-owned oil company will have a 1.75 percent interest in the project.

Thus, Russian companies now have a 20 percent interest in the project to build the pipeline while foreign companies, including Kazakhstan's Munaigaz, have a 30 percent interest.

Earlier, the consortium's charter capital was controlled by Russia, Kazakhstan, and Oman with Russia holding 34 percent and Kazakhstan and Oman, each controlling 33 percent of the consortium stock.

The creation of the new structure of the Caspian Pipeline Consortium will help fully meet Kazakhstan's need regarding the transportation of Kazakh oil via Russian territory, Russian First Deputy Fuel and Energy Minister Anatoliy Shatalov said at the signing ceremony.

Kazakhstan plans to produce and export up to 50 million tonnes of oil by the beginning of the 21st century. The major part of Kazakh oil is likely to be transported by the Caspian pipeline network.

Russia's Transneft oil transportation company will act as operator for the exploitation of the Caspian Pipeline Consortium's pipeline.

However, the Consortium's board of directors does not discount the possibility that Oman may leave the project, well-informed sources in the Consortium told Interfax's Petroleum Information Agency. Oman plans to consider the possibility of ceding its 7 percent interest in the project to other participants in the project, the sources said.

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Kazakhstan: U.S. Takes Over Dismantling Semipalatinsk From Russia

MK2604125296 Moscow OBSHCHAYA GAZETA in Russian No. 16/144, 25 Apr-4 May 96 (signed to press 24 Apr 1996) p 2

[Report by Sergey Borisov: "Bargaining is in Order on Test Site"]

[FBIS Translated Text] A few days ago, a scheduled series of nonmilitary explosions were conducted in the mountain range of Delegen, situated on the territory of the former Semipalatinsk test site. Using this method, specialists sealed [underground] gallery No. 192, formerly used to test nuclear devices. This event proved to be a symbol of sorts — the Russian flag was hauled down virtually at the same time. Americans, for that matter, feel increasingly comfortable in Semipalatinsk.

After it had become clear that the Russian military-industrial complex would have to leave the Semipalatinsk test site in the wake of the USSR's disintegration, the Russians got around to blasting the galleries. For example, on 31 May 1995, specialists of the All-Russia Chelyabinsk-70 Scientific Research Institute of Engineering Physics liquidated gallery No. 108K by using a conventional chemical charge. But here is what put on guard their Kazakhstani counterparts. After the Russian military people left, nearly one third of the galleries were found to be "water-bearing:" radioactive streams are flowing from them. Most of the underground tunnels do not have any elementary gates. This, incidentally, prompted "treasure hunters" to rush underground in search of nonferrous metals. Many have since died or have been taken ill.

The [United] States did not leave the situation without attention and urgently signed an agreement with Kazakhstan on dismantling the nuclear test site's infrastructure. Experts of the U.S. Defense Department and of Kazakhstan's Ministry of Science and New Technologies have made joint assessments of the geological and radiological status of every gallery and have drawn up recommendations on methods and dates of "sealing" them. This did not stop there. The U.S. Nuclear Defense Agency and Kazakhstan's National Nuclear Center signed a contract worth $4 billion which will be spent on reducing the galleries to a state "ruling out the possibility of nuclear arms tests in and human access to them."

Workers of the Russian Ministry of Atomic Energy feel uncomfortable in this situation — the Russians have their own program of using the Delegen galleries for peaceful purposes. But there is a snag: Russia lacks the money today to carry it out. At the same time, the United States has already earmarked $130 million to fund ten projects under the Agreement on Cooperation in Reducing Nuclear Threat, and it will add soon another $39 million. As we know, he who pays the money closes the galleries.

Kazakhstan: Government Puts 'World's Largest' Gold Mine Up For Tender

MS2604103496 London FINANCIAL TIMES in English 26 Apr 96 p 31

[Report by Sander Thoenes: "Kazakhstan Tries to Woo Disgruntled Gold Companies"]

[FBIS Transcribed Text] Almaty — Kazakhstan is trying to make good on a broken promise to put one of the world's largest gold mines up for tender.

Mr Marat Bitimbayev [as published], Kazakhstan's deputy minister for geology, said this week that nine gold mining companies, including Lonrho, the UK-based industrial conglomerate, and Western Mining, of Australia, had expressed interest in buying up to 100 per cent of the Vasilkovskoye mine in northern Kazakhstan.

"This is the biggest gold mine in Kazakhstan," he said, citing proven reserves of 400 tonnes, or 13.4 million troy ounces. "We're convinced that if exploration is done properly, you can find another 400 tonnes," he added. Peak production could surpass 12 tonnes a year, almost as much as all other mines in Kazakhstan combined.

Once a host of other Western gold ventures had started production in coming years, the Vasilkovskoye could help Kazakhstan to triple its gold production, he predicted.

"If it is successfully sold it would be excellent news for the country," said Mr Rajat Kohli [as published], mining analyst for MC Securities, the London investment bank. "Mining is one of their core industries. It will be a key source of revenues." Production costs at the open-pit mine could be around $175 per ounce, compared with $212 in the US, Mr Kohli said.

Despite that attraction, however, major gold producers such as BHP, Newmont and RTZ declined Kazakhstan's invitation to bid.

The Kazakh government shocked investors last year when it cancelled a similar tender, sponsored by the European Bank for Research and Development, and handed a 50 per cent stake directly to Placer Dome, of Canada. Placer Dome paid $35m up front and promised another $45m in bonuses, but backed out just hours before it was due to sign the contract.

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"Placer Dome broke the internationally accepted rules," Mr Bitimbayev said. "It got a bad reputation in international banking circles, and could not get any financing for the project."

The government, too, ended up with a bad reputation, and some of the gold companies that declined to bid cited last year's scandal as their main reason.

One company said the Kazakh government had unfairly pushed it out of two tenders last year, first during the initial tender for Vasikovskoye, then for an exploration project. "When you get bitten twice you're not going to try again," a company official said.

Mr Bitimbayev said the Kazakhs were "learning from their mistakes".

"Our government had only just started working," he explained. "We had no experience. But there is nothing to fear this time."

The government has put no minimum price on the bid and few conditions, but Mr Bitimbayev said it hoped to attract at least $300m in investments in reprocessing facilities, excavation of the pit and, later, new shafts. Production should peak at 15 million tonnes of ore, and the majority of employees should be Kazakh, he said.

Kazakhstan is revising its taxation laws for mineral resources and Mr Kohli said the government appeared inclined to copy the Indonesian legislation, widely praised by gold producers. Kazakhstan recently legalised the export of gold, but in practice the one producing Western gold venture, Bakyrchik, still has to sell to the Kazakh National Bank at a discount of 2.5 per cent.

Kyrgyzstan

Kyrgyzstan: Akayev Receives World Bank Official

LD2304102196 Moscow INTERFAX in English 0926 GMT 23 Apr 96

[FBIS Transcribed Text] BISHKEK, April 23 (Interfax) - Kyrgyzstan thinks highly of its cooperation with the World Bank, President Askar Akayev told on Tuesday director of the World Bank department for Europe and Central Asia Yukong Huang, now on a visit in Bishkek.

The Kyrgyz government has fulfilled all the lending conditions set by the bank in carrying out economic reforms, Akayev said, adding that the bank leadership is taking into account the transitional period in Kyrgyzstan and making concessions, for instance by financing such an important project as the social security network.

It was said that at the first stage of reforms between 1992 and 1995, World Bank financing totalled $145 million. The loans were given for 35 years with a 10-year postponement in payments, and this Central Asian country has to pay merely 0.75 percent annually for servicing them.

During the first stage, the government laid the foundations for the transition from a centralized planned economy to free market relations, Akayev said. Economic stabilization continues, inflation has been bridled and certain progress has been made in fiscal discipline. Prices have been deregulated, foreign currency is freely sold and bought, trade has been liberalized.

The sides said the cabinet must concentrate on the continuation of reforms and submit to the World Bank a program of economic development and priority projects for the remainder of the decade.

Kyrgyzstan: President's Annual Message Stresses Reform

MM3004083196 Moscow ROSSIYSKAYA GAZETA in Russian 27 Apr 96 p 6

[Report by Vladimir Berezovskiy: "Askar Akayev Believes in Reform. Kyrgyzstani President Not Only Believes in But Is Also True to Reform. Government of This Central Asian State Is Making Successful and Well-Considered Efforts To Create an Effective Economic Mechanism"]

[FBIS Translated Text] Kyrgyzstani President Askar Akayev has delivered his annual message to the republic's people and parliament. It points out, in particular, that the past year has been dominated by big-league politics. There have been elections to the Zhogorku Kenesh [parliament]. An open, contested presidential election has been held for the first time in the country. These were followed by a referendum on the issue of amendments and addenda to the republic's constitution. No one should be in any doubt, Akayev stressed, that as president I intend to use my authority primarily to speed up and deepen reforms and enhance the effectiveness of all branches of power, in order to ensure that our people are conscious of the results of the transformations as soon as possible. There can be no question of democratic gains and freedoms being curtailed. Hitherto the state power's main weakness has been an acute failure to implement the tasks set in a well-coordinated and targeted manner. Many progressive ideas and schemes were often simply shelved. State interests were often backburnered for want of a mechanism for their protection.

Speaking about the economy, the president noted that the republic ended 1995 with relatively good macroeconomic results. It proved possible to considerably reduce the rate of price growth, to secure a stable national currency, and to slow the decline in production. The increase [as published] in GDP dropped by 7.2 percent

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as opposed to 25 percent in 1994. Industrial production fell by 12.5 percent as opposed to 28 percent in 1994. Gross agricultural production fell by 2 percent, whereas in 1994 it fell by 18.5 percent. Average monthly inflation stood at 2.3 percent, down by a factor of 2.3 on the 1994 level. That is one of the best indicators in the CIS. The national bank refinancing rate dropped over the year from 80 to 46 percent while the national currency maintained a stable rate of exchange against the U.S. dollar. In March 1995 the IMF gave the Kyrgyz som the status of a convertible currency. It can be said with certainty that the peak of the economic crisis is past.

At the same time the message points out that macroeconomic success has not been bolstered by improvements in production. Industry is in a grave position. The uncompetitiveness of many kinds of output, the loss of a considerable number of markets, and limited material and financial resources resulted in around 20 percent of enterprises standing idle each month in 1995. Kyrgyzstan is losing its positions as an industrial and agrarian country. The problem of reciprocal payments has not been resolved. By the beginning of the year accounts receivable totaled 4 billion som while accounts payable stood at 4.1 billion som. Unwanted output worth 541 million som had built up at enterprise depots. The prevailing catastrophic situation could paralyze production, destroy the financial foundation, and nullify the stabilization that has been achieved with such great difficulty. Overcoming this danger should be considered the most important problem of the year.

All the serious difficulties notwithstanding, the message says, this year the government is quite capable of achieving marked success when it comes to economic recovery. The preconditions exist for increasing GDP by 3-4 percent and reducing the annual level of inflation to 15 percent as opposed to 32 percent in 1995. In 1996 the mining and metals industry will develop steadily. A 5-percent increase in production compared with last year is quite feasible.

Broaching the strategy for state energy policy, the president remarked that it is aimed at creating an energy base as quickly as possible, capable of considerably easing the dependence on imports of costly energy sources. This year it is planned to produce at least 12.6 billion kwh of electricity. The problem of the year remains to bring the Tash-Kumyr and Khomaldysayskaya hydroelectric power stations up to their rated capacity and resume construction of the Nos. 1 and 2 Kambaratinskiye hydroelectric power stations. It is impossible to do without committed foreign investors in this. The startup of the Kachkor-Atinskiy oil refinery with its capacity of 500,000 tonnes will help reduce petroleum product imports this year.

The president noted that the greatest decline in production occurred in light industry, which was recently one of the most developed and stable sectors of the national economy. Despite the fact that leading enterprises in the sector were allocated 50 million som, 5 million marks under a German loan, and $1.75 million of a Japanese loan, production here almost halved over the year.

In the agrarian sector Akayev outlined the following targets: He aims to ensure a 5-percent growth in gross output, raise the grain harvest to 1.3 million tonnes, including 800,000 tonnes of food grain, 150,000 tonnes of sugar beets, 450,000 tonnes of potatoes, 75,000 tonnes of raw cotton, 25,000 tonnes of tobacco, and 320,000 tonnes of vegetables.

The message stresses that support for private enterprise and small and medium business in the production sphere must be a matter of special concern for state organs. Based on the 1995 results small enterprises only represented 2 percent of GDP. It is necessary to be bolder in transferring idle enterprises to reliable foreign investors and in leasing and selling them.

Over the coming few years foreign loans will make up around 70 percent of the financial resources needed for the republic's development.

The state budget statute requires that the deficit be reduced this year from 11.3 to 6 percent of GDP. Over the next few years at least 50 percent of the budget deficit must be covered by the issue and placement of state securities.

The president went on to say that crime, particularly economic crime, and corruption are causing serious disquiet in society.

Tajikistan

Tajikistan: Rebel Commander Interviewed on New Title, Prisoners

LD2404171296 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 24 Apr 96

[Interview with Mirzo Ziyo, a commander of the Islamic Movement of Tajikistan, by correspondent Muboriz Nekvard; place, date not given — recorded]

[FBIS Translated Excerpt] Our correspondent, Muboriz Nekvard, had a conversation over the radio with one of the commanders of the Islamic Movement of Tajikistan, Mirzo Ziyo, and congratulated him straight away on being awarded the supreme title of Mujahed of the Year. Here is the interview:

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[Ziyo] In the name of God, I thank you and Radio of Free Tajikistan's listeners. I want to say I am a bit hesitant about being awarded this supreme title. It is difficult to wear this title when the homeland is under the rule of infidels and mercenary plunderers, when Tajik mothers and sisters are selling their bodies to foreigners to find a piece of bread in their own homeland, when every Muslim is being deprived of all rights in his own country, when hundreds and thousands have become homeless and are living abroad and have to take any job to support their children. This title will suit you and me only when our country is free. [passage omitted]

[Nekvard] What is the situation like in the area now?

[Ziyo] As we said before, battles are continuing in the area. Yesterday, we reported via radio to the center [word indistinct] many soldiers of the regime's forces were killed and one of their helicopters was shot down.

[Nekvard] What is the secret behind your successes, the successes of your men and other mujaheddin?

[Ziyo] First, I think our achievements and those of the groups at the front come from God, from the mujahed's complete belief, from the unity among all mujaheddin, their fraternity, their following God. This is why God is awarding them with these achievements. [passage omitted] God is with us and we will win. [passage omitted: Ziyo will continue the fight in the name of God]

[Nekvard] We want you to tell us about the conditions of prisoners. How are they?

[Ziyo] Thanks be to God, the prisoners are under our control. As we reported to you earlier, some of them have become mujaheddin and are fighting against Rakhmanov's regime along with us. We had some complaints before about them not getting the food and medicine they need [words indistinct] road blocks.

[Nekvard] Our colleagues, correspondents of Voice of Free Tajikistan, Faridun Musalli and Muhammad Vohidi, reported during the Tajik talks in Ashgabat that the government side, the government negotiating delegation, did not want to talk about prisoners at all. It does not want to think about them and does not intend to exchange them. Can you tell us how the prisoners accept these words of Tajikistan's rulers and what your view is on this issue?

[Ziyo] The prisoners know very well these days that the government does not need them and that they have been used by Rakhmanov's regime as puppets. They have asked me resolutely to admit them to the ranks of the mujaheddin. They are all for fighting against Rakhmanov's regime and, God willing, we are also ready to admit them to the ranks of the mujaheddin and to carry out a merciless fight against this blood-thirsty regime together.

[Nekvard] When it gets warmer, the Dushanbe regime may be planning to launch assaults on mujaheddin areas. What do you have to say to the Dushanbe rulers and the mujaheddin in other areas, like Si Charog, Garm, Navabad, Shuroabad and elsewhere?

[Ziyo] A good question. I want to take this opportunity to say to all mujaheddin at the front, in and around Tajikistan, that all of them should be ready for war against blasphemy. Do not believe the deceptive policy of Rakhmanov's regime. We are at the front today and we know what these policy games mean and this policy is completely wrong.

I ask our leader, the supreme commander, Professor Sayed Abdullo Nuri, to declare war against hypocrites openly.

[Nekvard] We know that you had a talk with Professor Haji Akbar Turajonzoda, first deputy leader of the Islamic Movement of Tajikistan and chairman of the opposition's negotiating delegation, who said on Radio Voice of Free Tajikistan that the problem will be resolved mainly through a jihad. What do you think of these words?

[Ziyo] I agree 100 percent with Professor Turajonzoda's words. [passage omitted] I see the victory of Islam and of the Tajik people only in a jihad. [passage omitted]

Tajikistan: Opposition Leader Welcomes Appointment of New UN Envoy

LD2604184096 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 25 Apr 96

[FBIS Translated Text] Professor Haji Akbar Turajonzoda, first deputy leader of the Islamic Movement of Tajikistan and chairman of the negotiating delegation of the United Tajik Opposition, has written a letter to UN Secretary General Butrus Butrus-Ghali saying that the United Opposition Forces of Tajikistan welcomes the appointment of the UN's new envoy to Tajikistan and believes that the latter, like his predecessor Ramiro Piriz-Ballon, will make a contribution to establishing peace in Tajikistan.

Prof. Turajonzoda further says that the Tajik opposition is ready to hold another round of talks.

As is known, the United Nations intends to hold another round of inter-Tajik talks no later than by 26 May, when the temporary cease-fire, which has been violated constantly by the Dushanbe government, expires.

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Turkmenistan

Turkmenistan: Niyazov, U.S. Official Discuss Cooperation

LD2404201096 Ashgabat TURKMEN PRESS in Russian 0800 GMT 24 Apr 96

[FBIS Translated Text] Ashgabat, 23 Apr — Turkmen President Saparmyrat Turkmenbashy [Niyazov] today received Robin L. Raphel, the U.S. assistant secretary of state. During the conversation, there was an exchange of opinions on regional security and economic cooperation.

Commenting on the results of the talks in an interview to Turkmen Press, Mrs. Raphel called them extremely fruitful. She stressed the positive role which Turkmenistan plays in stabilizing the situation in the region, in particular in Tajikistan and Afghanistan. In relation to the latter, the assistant secretary of state underscored the importance of the project to transport gas by pipeline from Turkmenistan to Pakistan through the territory of Afghanistan, which she called one form of economic diplomacy. She called participation in the project by the Unocal Corp (USA) a very positive factor, reflecting the fruitful development of Turkmen-U.S. relations.

Raphel said that the region's huge economic potential, in particular Turkmenistan's potential, makes it possible to view the future with optimism. She said that the United States is interested in helping to develop young independent states and in their soonest possible integration, as a full member, into the global economic system, for which the political preconditions already exist.

Turkmenistan: Niyazov, UN Envoy to Afghanistan Discuss Integration

LD2704140796 Ashgabat TURKMEN PRESS in Russian 0715 GMT 27 Apr 96

[FBIS Translated Text] Ashgabat, 26 Apr — Turkmen President Saparmurad Turkmenbashy [Niyazov] today received Mahmut Mesteri, the UN secretary general's special envoy to Afghanistan.

During their long conversation, regional security and the opportunities for expanding economic partnership between Central Asian countries were discussed. The latter, Mesteri told TURKMEN PRESS, should be regarded as one of the most important mechanisms for settling the political situation in the region. In particular, involving Afghanistan in a number of regional projects, including the building of a gas pipeline from Turkmenistan to Pakistan, would help establish peace on Afghan soil. For this reason, Mahmut Mesteri believes work should start on this project as soon as possible, without people waiting for military activity to stop. The special envoy has set great hopes on the coming summit of the Economic Cooperation Organization in Ashgabat at the beginning of May as a mechanism of developing economic partnership between states of the region. The summit is to discuss stepping up regional cooperation.

Mahmut Mesteri said the situation in Afghanistan was still difficult, but that the United Nations was taking serious measures to bring a settlement. He emphasized the role played by Turkmenistan and by Saparmurad Turkmenbashy personally in strengthening regional stability. He called the Turkmen president's statement that the doors of the Turkmen capital were always open for the talks process and the fact that a possible meeting in Ashgabat by the sides in the Afghan conflict would be considered very soon, quite positive factors.

Turkmenistan: Niyazov Says All Means At Hand To Develop Agriculture

LD2404173396 Moscow INTERFAX in English 1558 GMT 24 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Saparmurad Niyazov said on Tuesday Turkmenistan possessed all it needed to dynamically develop its agriculture.

At a meeting with key agrarian sector figures, Niyazov reaffirmed his government's earlier declared decision "to achieve the food independence of the country."

He announced a plan to abolish the Agriculture and Food Ministry and replace it with an agriculture ministry and several bodies running individual sectors and directly accountable to the government. There would be separate bodies in charge of grain production, the technical servicing of agriculture, rural construction, the cotton-processing industry, the food industry and fruit and vegetable trade.

The aim of the measure is to make better use of the country's agricultural potential, the president said. The new bodies would have to make deals with the private sector.

Domestically producing all the food the country needs is a target set by the Turkmen leadership in 1992 and 1993, when the government approved two programs, New Countryside and Grain.

The former program was designed to reform collective and state farms and develop private enterprise in agriculture. The purpose of the latter program was to bring annual grain output to 1.5 million tonnes by the end of the century.

Niyazov, however, has repeatedly expressed dissatisfaction with the pace at which both programs are being

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implemented. Local authorities "are still working in the old style and cannot change," he said.

On Wednesday the president held an intercom conference with members of government and local governors, with whom he discussed economic reforms and the current sowing of grain crops.

Uzbekistan

Uzbekistan: Karimov Completes 'Very Sucessful' French Visit

LD2504192496 Moscow INTERFAX in English 1604 GMT 25 Apr 96

[From the "Presidential Bulletin" feature No. 81 (1074) compiled by Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, and Boris Yunanov]

[FBIS Transcribed Text] An Uzbek delegation led by President Islam Karimov completed a three-day official visit to France.

Karimov's schedule in France was packed, the presidential press service told Interfax. He held an hour-and-a-half eye-to-eye meeting with his French counterpart Jacques Chirac. The two Presidents discussed bilateral relations in the political and economic fields.

They visited an exhibit which presents Uzbekistan's achievements in various fields and moves to meet the Uzbek reform plans.

President Karimov attended an international UNESCO-sponsored conference. He addressed the conference with a speech titled "There Is No Future Without A Past. Progress Is Impossible Without Cooperation."

The world as a whole must draw on the Central Asian tradition introduced in the 14th century by Tamerlane, Tamerlane's great legacy and the lessons of the most eventful history of Uzbekistan, Karimov said. IF Note: The United Nations' Educational, Scientific and Cultural Organization, UNESCO, declared 1996 the year of mediaeval military leader and statesman Amir Timur (1336-1404), better known to Europe as Tamerlane. Tamerlane founded a powerful state in Central Asia.

UNESCO Director-General Federico Sotto Mayor also attended the conference.

Karimov spoke of the developments in Central Asia. Central Asia lies in the heart of an environmental disaster zone which is the home of 60 million sufferers, he said.

The drying-up of the Aral Sea and the subsequent salinization of soil on its coasts, as well as the shortage of potable water, threaten the lives of local residents and proves, beyond all doubt, that there is a link between the environmental problems and strategic security interests, Karimov also said.

As regards war-torn Tajikistan and Afghanistan, Karimov said it would be extremely difficult to find solutions to their problems without assistance from the leading international organizations, including the United Nations.

Karimov met with French business people in Paris and Lyon. He told them Uzbekistan laid an appropriate legal foundation for large-scale investment in its economy. Foreign investors are legally entitled to reap profits in Uzbekistan, Karimov said.

Unlike other Europeans, in particular German, French business people are still reluctant to invest in the Uzbek economy although French companies had a hand in the construction of Uzbekistan's strategically important Bukhara oil refinery. When the Bukhara refinery enters operation, Uzbekistan will become self-sufficient in oil products and save millions of dollars, Karimov said.

Karimov hoped for early cooperation with five leading banks of France. Part of the Uzbek hard currency reserves are kept in their vaults and Uzbek bankers have joined their training programs, Karimov said.

The presidential press service describes Karimov's visit to France as "very successful."

Uzbekistan: Karimov, U.S. Official Discuss Relations, Cooperation

LD2704141496 Tashkent NARODNOYE SLOVO in Russian 27 Apr 96 p 1

[FBIS Translated Text] On 26 April, Uzbek President Islam Karimov received Robin Raphel, U.S. assistant secretary of state for South Asian affairs.

During their conversation, our head of state said relations between Uzbekistan and the United States were becoming stronger and trade and economic cooperation were developing particularly fast. This shows that relations between the two countries have moved to a new, quality level, President Islam Karimov said. He stressed that cooperation with the United States within the framework of NATO's Partnership for Peace program was of special importance to Uzbekistan.

The further development of bilateral relations and regional security were also discussed during the meeting.

State advisor to the president, Sodik Safoyev, and Minister of Foreign Affairs Abdulaziz Kamilov took part in the reception.

Stanley Escudero, U.S. ambassador extraordinary and plenipotentiary to our country, attended the reception.

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Uzbekistan: Ecology Chief on Radiation Threat in Uzbekistan

LD2604205296 Tashkent Radio Mashal in Uzbek 1000 GMT 26 Apr 96

[FBIS Translated Excerpt] There are no nuclear power stations in Uzbekistan, but we cannot say that we are not living in a nuclear environment. We should know what the atom out of human control can lead to and measures must be implemented to protect people from it. Attention was drawn to this in a conversation with (Yusufjon Shadimetov), the president of Uzbekistan's International Ecosan Fund for ecology and health.

[Begin recording] [Shadimetov] [passage omitted] The nuclear waste of the former USSR was dumped on many territories in the last 30-40 years, some of it on the border between Uzbekistan and Kyrgyzstan. There is much nuclear waste on Kyrgyz territory in a place called Mayli-Say and it has been there for decades and the situation is very threatening, because we have no concrete information about this waste, its depth, and the technical situation. Such information is still being kept in the archives of Moscow's former Ministry for Machine Engineering. At our international meeting, we adopted a special declaration. The Ecosan foundation, in cooperation with state organizations of Central Asian states, is to work out a special program called Ensuring Ecological Radiation Safety in Mayli-Say and Kadamdzhay Districts. We are going to invite large groups of experts to work on this program. The ambassadors of these countries have welcomed our proposals and they have promised to inform the heads of their countries about it. [passage omitted]

Our purpose is to bring this ecologically dangerous region under as much control as possible over three to four years. We are planning to make safe the mountain areas where nuclear waste has been dumped by reinforcing the dumping grounds there. I think that many organizations will support our proposal. We have experience in this sphere. [passage omitted]

Professor (Yoldashev), director of the Institute of Nuclear Physics, said in a speech at the meeting on 19 April, that there had even been cases of nuclear material being brought into Tashkent, into Uzbekistan from outside and being taken out of Uzbekistan. [passage omitted]

[Unidentified correspondent] Several years ago, the writer, (Dadakhon Nuriyev), if I am not mistaken, said that there is a place for storing nuclear waste in Tashkent Region, near Chirchik. Do you have any information about this?

[Shadimetov] Yes, it is true, because there is a Nuclear Physics Institute in Tashkent Region. This institute uses nuclear materials in some quantity. This is normal. But, Professor Yoldashev said that the nuclear material at the institute is not dangerous. We are all against everything nuclear and against the accidents caused by nuclear research. This man [Yoldashev] described the matter from the viewpoint of a nuclear scientist. He gave assurances and showed everyone maps.

Yes, we have nuclear materials. We are using them for peaceful purposes, for scientific research, medicine, and in many spheres of agriculture. And precisely this Institute of Nuclear Physics is regarded as one of the biggest centers of development of Uzbek science, technology, and physics today. We should realize this. We should also not scare our people. [passage omitted] [end recording]

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Armenia

Armenia: Azerbaijan Accused of Breaking Truce Again

LD2404160696 Moscow INTERFAX in English 1504 GMT 24 Apr 96

[FBIS Transcribed Text] YEREVAN, April 24 (Interfax) — Armenia said Azerbaijan on Tuesday again broke the current truce between the two countries.

Azerbaijani forces opened fire on Armenian troops positioned near two border villages in Armenia, a spokesman for Armenia's Defense Ministry told Interfax.

The Azerbaijanis, using mortars and various kinds of small arms, were firing at positions outside the village of Movses in Taush district between 6:30 p.m. and 7:10 p.m. and at positions near the village of Barekamavan in Noyemberian district from 11:40 p.m. to 12:15 a.m.

No one was hurt, the spokesman said.

He said the Armenians, by returning fire, forced the Azerbaijanis to stop shooting.

Interfax has not yet obtained any comments from the Azerbaijani Defense Ministry.

Armenia: Communists Disapprove of Caucasian Home Idea

NC2704012496 Yerevan SNARK in English 1130 GMT 26 Apr 96

[FBIS Transcribed Text] Yerevan, April 26, (SNARK) — Sergey Badalyan, First Secretary of the Armenia Communist Party, told Snark that the Caucasian Home initiated by Eduard Shevardnadze has an anti-Russian orientation.

According to him, the idea is close to that of some Western nations and Transcaucasian leaders that aims to separate Caucasus, Transcaucasus and Russia removing thus Russia's influence on the region. Armenia's Communists are against the idea and believe that Armenia should reject is as well.

Commenting on Azeri Communist leader Ramiz Akhmedov's proposal of meeting Transcaucasian Communists to discuss the matter, Badalyan said they will never participate. Azeri and Georgian rulers are trying to make Caucasian problem similar to one another in order to suppress national liberation movements in South Ossetia and Nagorno-Karabakh. The Armenian Communists support self-determination of Nagorno-Karabakh and they will not allow themselves to get pulled into in such political games, Badalyan stressed.

Armenia: Parties Issue Joint Statement in Support of Newspaper

NC2604133596 Yerevan NOYAN TAPAN in English 1839 GMT 25 Apr 96

[FBIS Transcribed Text] Yerevan, April 25 (Noyan Tapan) — "We demand to restore legality", joint statement by National-Democratic Union, National Self-Determination Union, Scientific-Industrial and Civil Union, Democratic Party of Armenia, Communist Party of Armenia and Ramkavar-Azatakan Party of Armenia reads.

"It is the first time for 5 years when the regular issue of the "AZG" daily was not published. The cause is Justice Ministry's decision of April 22. Violating laws Justice Ministry deprived the constituent board and publisher of the "AZG" daily of their rights, replacing them by a puppet the so-called public organization "Mission of Ramkavar-Azatakan Party" which was "created" by the authorities 6 days before.

"All this is a blatant encroachment on the freedom of speech and in case it is not eliminated it can have fatal consequences for establishment of democracy in Armenia", the statement reads.

Armenia: Ramkavar-Azatakan Party Makes Statement on Mission

NC2604134596 Yerevan NOYAN TAPAN in English 1609 GMT 25 Apr 96

[FBIS Transcribed Text] Yerevan, April 25 (Noyan Tapan) — Public organization "Mission of Ramkavar-Azatakan [Liberal-Democratic] Party" made the following statement Tuesday [23 April].

"Public organization "Mission of Ramkavar-Azatakan Party" was registered on April 15.

Constituent assembly of this public organization was attended by Chairman of Ramkavar-Azatakan Party's Central Board Hakob Gassarjyan (France, Lebanon), Vice Chairman Grigor Atanalyan (Syria), Secretary Assatour Tevletyan (Cyprus), Vice-Secretary and others.

"Mission of Ramkavar-Azatakan Party" public organization has an objective to inform people about 75-year old Party Ramkavar-Azatakan which has rich national-political traditions and life experience, and promote dissemination of liberal-democratic values".

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Azerbaijan

Azerbaijan: Aliyev Wins Oslo's Support for Nagorno-Karabakh Settlement

LD2604175396 Moscow INTERFAX in English 1535 GMT 26 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Azerbaijani President Geydar Aliyev has won Norway's political support for settlement of the Armenian-Azerbaijani conflict, a source in the Azerbaijani presidential apparatus told Interfax on Friday with regard to the early results of Aliyev's visit to Norway on April 25-26.

During the talks, Norwegian Prime Minister Gro Harlem Brundtland reassured Aliyev of Oslo's support of Azerbaijan's territorial integrity, the same source said.

The Norwegian prime minister Thursday reiterated Oslo's position on the problem at a joint news conference on the results of the talks with Aliyev, the same source said.

Norway and Azerbaijan signed several documents regarding bilateral relations, including an agreement on the development of bilateral cooperation, an agreement on the avoidance of double taxation, and an agreement on the development of bilateral cooperation in the energy sector.

Aliyev was received by King of Norway Harald V on Thursday.

The Azerbaijani president also visited the Norwegian parliament and briefed Norwegian MPs on the economic situation in Azerbaijan.

Aliyev also met with representatives of the Azerbaijani community in Norway, the same source said.

The Azerbaijani president also visited Norway's Kvaerner company known for its participation in space projects in the former USSR and the city of Stavanger where Norway's Statoil state-run oil company started business.

The two countries' state-run oil companies - Statoil and the State Oil Company of the Azerbaijani Republic - signed an agreement on cooperation on Thursday.

Regarding the political outcome of Aliyev's visit to Norway, the source said the visit was "an information breakthrough in the North European direction" as far as the Nagorno-Karabakh conflict is concerned. Aliyev's Norwegian visit helped to deliver "an impartial picture" of the conflict to Norway and other countries in the region, including Scandinavia and the Baltic countries, the same source said. The support for Azerbaijan's territorial integrity declared by Oslo "is very important and revealing," the source said.

Azerbaijan and Norway also considered the possibility of a Norwegian contingent participating in the OSCE [Organization for Security and Cooperation in Europe] peacekeeping forces in Nagorno-Karabakh after Armenia and Azerbaijan sign a final political agreement, the same source said. Azerbaijan is also specially interested in the experience of Norway's cooperation with NATO and other European structures and organizations, the same source said.

Azerbaijan: Government Asks NATO To Help Restore Territorial Integrity

NC2704012096 Baku TURAN in English 0827 GMT 26 Apr 96

[FBIS Transcribed Text] Baku, 26 April 1996, TURAN — According to Foreign Minister of Azerbaijan Gasan Gasanov, Baku is going to develop and expand cooperation with NATO. "Of course, Azerbaijan would appreciate more close integration with the states of NATO," Gasan Gasanov told in his interview to BBC radio station. The Minister considers that close relations with NATO "can help Azerbaijan to obtain liberation of its territory from hostile army."

Concerning the communique , signed the other day by presidents of Azerbaijan and Armenia in Luxemburg after the talks they had, Gasan Gasanov said that "the significance of the communique is that it is the first official document signed by the two presidents."

According to head of the Foreign Ministry, the intention of the parties to obtain peaceful resolution of the conflict was confirmed in the document. "The parties also confirmed their devotion to follow cease-fire regime up to signing the political agreement and the intention to exchange the detainees arrested due to conflict according to formula 'all for all'," Gasan Gasanov said.

Azerbaijan: President Returns; 'Highly' Appraises Talks in Armenia

LD2804181196 Moscow INTERFAX in English 1710 GMT 28 Apr 96

[FBIS Transcribed Text] Baku, April 28 (Interfax) — Azerbaijani President Geydar Aliyev has highly appraised the talks with his Armenian counterpart Levon Ter-Petrosyan, held in Luxembourg earlier this week.

He told reporters Sunday upon his return from his European tour that the talks with the Armenian president had been organized on the initiative of both sides. Direct talks between the two countries' presidents have never been held before, said Aliyev.

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The communique circulated after the talks says that the two presidents support the cease-fire regime in the zone of the Azerbaijani-Armenian conflict and pledge to observe it pending the conclusion of a political agreement, he continued.

The sides favor further talks on settling the conflict within the framework of the Minsk group, as well as direct talks between Baku and Yerevan, he went on to say.

"The other important aspect of the document is the sides' determination to free all prisoners taken during the conflict," said Aliyev.

He pointed out that his talks with President Ter-Petrosyan had demonstrated Azerbaijan's good will and commitment to peaceful settlement "despite the wounds which are still bleeding."

Azerbaijan: Kazimirov Reportedly Heads for Baku With 'New Proposals'

NC2904130796 Baku TURAN in English 1000 GMT 29 Apr 96

[FBIS Transcribed Text] Baku/29.04.96/TURAN—Last afternoon special representative of Russia's President to negotiations on Nagorno-Karabakh, Vladimir Kazimirov, left Yerevan for Baku, the source from Azerbaijan's Ministry of Foreign Affairs told TURAN.

Today Kazimirov is expected to meet with President Aliyev. The Ministry of Foreign Affairs told TURAN agency that Kazimirov has arrived with a packet of new proposals.

Tomorrow Vladimir Kazimirov will leave Baku for Moscow.

Azerbaijan: Talibs Halt Russians' Extradition Due to Dudayev's Death

NC2604153296 Baku TURAN in English 1030 GMT 26 Apr 96

[FBIS Transcribed Text] Baku, 26 April 1996, TURAN — Leaders of the [Afghan] Taliban movement adopted a decision to postpone extradition of the Russian pilots of the crew "IL-76" who were captured more than eight months ago. Such decision was adopted due to death of Dzhokhar Dudayev, whom the Talibs had promised to extradite the Russian pilots.

"We were told about this decision by the representative of Talibs in an eastern country," TURAN was told on the telephone by Vakha Ibrahimov, Advisor of the president of Chechnya for military affairs.

Azerbaijan: Aliyev Remarks on Shipping Routes for Oil Exports

NC2804061896 Baku TURAN in English 1719 GMT 27 Apr 96

[Azerbaijan Can Ship Its Oil Through Western Route, President Aliyev Warns — Turan Headline]

[FBIS Transcribed Text] Baku 27.04.96 TURAN — Currently Azerbaijan works out the third variant of route of export of its oil, Azeri President said yesterday in Norway, the western sources report.

BBC radio station reports President has given to understand that Azeri oil including early oil can be shipped through the third route. The western sources report the essence of President Aliyev's statement is that if due to continuing disability on the Caucasus Azerbaijan will not be confident of safety of chosen routes, Azerbaijan will be forced to use alternative variant.

President Aliyev did not say exactly what he meant, however he mentioned that implementation of the contract of century must not depend on unpredictable circumstances.

Political observers assess the statement of President Aliyev as rather unexpected.

"The issue related to routes of early oil transit seemed to be settled yet. Previously Baku did not make any statements about the third route. If President meant what the western sources report, it is a sensation", the experts say.

The experts believe that it is rather important in what context and in what tone President Aliyev said that. The observers note that Norwegian statement means that Baku is ready to unexpected and possibly very strong political resolutions. This statement has been made after confidential talks among Presidents of Azerbaijan and Armenia and NATO's administration in Luxembourg and Brussels, and it is possibly the beginning of new scenario, the comments of politologists report.

Georgia

Georgia: Shevardnadze Discusses Russia Ties, Domestic Themes

MM2604144196 Moscow ROSSIYSKIYE VESTI in Russian 24 Apr 96 pp 1, 2

[Interview with Georgian President Eduard Shevardnadze by Natalya Vdovina; date and place not given: "Eduard Shevardnadze: We Will Make the Idea of a Peaceful Caucasus a Reality"]

[FBIS Translated Text] Moscow-Tbilisi-Moscow — [Vdovina] Following the State Duma's denunciation of

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the Belovezhskaya accords, you said in a statement on Russian television that Georgia would never rejoin the USSR. Moreover, during your official visit to Russia you refused to meet with the speaker of the lower house of the Russian parliament, although this meeting was stipulated by protocol. Many people interpreted these steps as indicating Georgia's reluctance for closer integration with the Russian Federation. Is this correct?

[Shevardnadze] At a recent session of the Georgian parliament I actually recalled a certain historic meeting with Boris Nikolayevich Yeltsin. It took place after I made the decision to return to Georgia. A civil war was raging in my homeland at the time, and anti-Russian sentiments were very strong. We, however, said that it was time to put an end to the estrangement between our peoples and begin to build good-neighborly, civilized relations between our two sovereign states. However, we did not manage to achieve this at once. I repeat: A war was going on. Today much has changed in Georgia. A solid contractual-law basis exists between the two states within the framework of the CIS. Dozens of documents on strengthening cooperation in the economic, cultural, and scientific spheres have been signed. As for the restoration of the Soviet Union, in my view, this is not just an anachronism: It could harm Russia first and foremost. Unfortunately, many politicians interpret integration as the merging of peoples and states. This is incorrect. I often cite the example of the integration of the West European states. They are deeply integrated, but have not lost their independence. This is the path that the post-Soviet republics should take. This sort of integration has a lot to give to both Russia and Georgia.

Why did I not meet with the leadership of the State Duma during my official visit to Russia? I repeat, with the leadership, as I can say nothing bad against Mr. Seleznev, the speaker of the lower house of parliament, himself — I know him as a professional politician and journalist. I thought all night long before acting the way I did. This was a diplomatic move against the decisions adopted by the State Duma on the denunciation of the Belovezhskaya accords. It should in no way be seen as a protest against deepening integration with Russia. An example of the latter is our cooperation in the military sphere, which is indicative of the highest degree of trust between countries. I signed a treaty on the stationing of Russian military bases on Georgian territory, thereby guarding the republic from any suspicions of any sort of insincerity.

As for our relations with the Russian State Duma, we intend to continue to cooperate closely with this legislative organ.

[Vdovina] Russia and Belarus recently signed a treaty on the creation of a Commonwealth of Sovereign States. Was is your attitude to this CSS?

[Shevardnadze] It would be not quite tactful or justified for me to comment on this treaty.

[Vdovina] Eduard Amvrosiyevich, what is Russia's actual role in strengthening integration processes between the former post-Soviet republics?

[Shevardnadze] Any integration is beneficial. Especially within the framework of the CIS, which has a solid treaty basis. As for Russia, it is undoubtedly a great power, the leading country in the CIS, and the initiator of this formation. It is Russia that should be the major initiator and stimulator of rapprochement between the states.

I foresee the next question. It is fine to talk about integration and good-neighborly relations, you will say, and to count up signed treaties. However, the current level of economic cooperation between Georgia and Russia cannot be compared to its previous level.

Russia's exports to Georgia are minuscule. But this is not because Georgia does not want, or that Russia does not support, the integration process. Circumstances brought this about. After the adoption of the Georgian declaration of independence, anti-Russian sentiments intensified here. This policy was both harmful and naive even in the very supposition that Georgia can barricade itself off from Russia. As a result huge damage was inflicted on the republic's entire economy. After all, our enterprises, organizations, and agriculture were all firmly bound to the Russian market. The Russian economy also suffered to some degree. True, there are also other factors. Because of the conflicts in Abkhazia and the former South Ossetian Autonomous Oblast, transport arteries — the railroads and highways linking Georgia and Russia — were paralyzed. This problem has not been rectified to this day. Thus commodity turnover on a scale that would satisfy the two states cannot be established for objective reasons. Though more could probably have been achieved. I believe that we have reached a stage where we should be talking about a new spiral of economic integration between our peoples.

[Vdovina] It is well known that you support the settlement of the Abkhazia conflict by peaceful means. What are the prospects for solving this question around the negotiating table?

[Shevardnadze] The potential is there. In particular, the strengthening of ties between Georgia and Russia should play a positive role in resolving the Abkhazia problem. At the last session of our parliament deputies

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criticized the Russian peacekeeping forces, and not without justification. They played a positive role at a certain stage. However, we are not satisfied with this level today. Look how many refugees there are in Georgia, Ukraine, and Russia! How much grief this confrontation brings.

It should be noted that extinguishing this dangerous center of conflagration in the Caucasus is also in Russia's interests. The opening of the railroad through Abkhazia would make it possible for you to supply your troops stationed in Georgia and Armenia with all essentials and to expand the possibilities of the Black Sea Fleet. It is no secret that this would help Russia to consolidate relations with Turkey and the countries of the Near East. Boris Yeltsin understands this perfectly. But unfortunately, not everyone in Russia is so determined. We get the impression that many channels and levers for the speediest settlement of the Abkhazia conflict have not been activated.

Take, for example, the most recent incident, which rocked the whole of Georgia. This was the visit by high-ranking Russian parliamentarians to Abkhazia. Ultimately it is not for the Russian Federation State Duma to resolve the issue of Georgia's integrity. Elementary tact and the culture of interstate relations should have suggested to them that it would not be a bad idea to inform Georgia of their visit. You should have advised them that it was not so hard to pick up the telephone and inform members of the Georgian parliament of their visit. We have nothing against the visit. Let Mr. Zhirinovskiy and Baburin come too. Or whoever you like. Only they will see yet again with their own eyes the sad outcome of the escalation of the conflict in Abkhazia. You should also have advised them that they should drop in on the refugees, who are situated some 10 kilometers from the place that the Russian parliamentarians visited. They should have taken a look and talked to the people — they would have obtained more objective information. And there would have been no ill-feeling... It is precisely events like this that hamper the strengthening of relations between the two states.

Or another example. Boris Nikolayevich Yeltsin explicitly stated that all ships should put into the port of Poti for customs inspection before crossing over to Sukhumi or some other port. However, this accord is often violated. Having attended the session of our parliament, you undoubtedly noticed how parliamentarians bitterly resent all this. Nor do I view all this through rose-tinted spectacles. The question that is being decided, after all, is of far-reaching consequences. If we manage to settle the conflict in Abkhazia in the near future with Russia's participation, we will lay a very secure foundation for our friendship and fraternity for all time. If, on the other hand, some one starts being devious, everyone will lose out. Today it is not so easy to deceive the people.

[Vdovina] Eduard Amvrosiyevich, you recently put forward the idea of a "peaceful Caucasus." What specific steps should be taken to make this idea a reality?

[Shevardnadze] There is nothing new about this. This project is based on ideas laid down in the UN Charter: to live in conditions of peace and tranquillity and not to offend the pride of other states. This is a good basis for the development, or, more correctly, the restoration, of the good traditions that were so characteristic of the Caucasus. True, it is too early at the moment to make this idea the leading model for the creation of some kind of new commonwealth. Very painstaking and subtle work is needed. The idea of a "peaceful Caucasus" has already been supported by the president of Turkey. I am planning to meet with the president of Armenia in the very near future. We attach great hopes to a summit meeting of the Transcaucasian states, to which we will also invite the Russian president. Boris Nikolayevich responded favorably to this project. Thus step by step we will make the idea of a "peaceful Caucasus" a reality.

The Caucasus today is attracting a great deal of attention from the entire world community. By its geopolitical position the Caucasus is the link between East and West, South and North, if you like. It has a well-developed rail network, highways, and shipping.... This is why it is essential for all this to start operating. But this is possible only when the region becomes safe again. A few words in this connection:

Articles have appeared in certain Russian newspapers claiming that Georgia is stepping up its efforts to turn the country into a state with an economy based on transit goods. As though we were rivals to Russia. In particular, [it is claimed that] Georgia aspires to the "Western sector" of Caspian oil.

[Vdovina] You are talking about the project for the construction of a "Western branch" of the Baku-Batumi-Supsa oil pipeline of 920 km in length, 440 km of which is to pass through Georgian territory?

[Shevardnadze] Absolutely correct. We are not a Caspian state. Unfortunately. On the other hand, if we are offered participation in a project under which Azerbaijani oil will pass through the republic's territory and we can earn quite good money out of it, why should we refuse?! That is the first point. Second, during talks with Boris Nikolayevich Yeltsin, Viktor Stepanovich Chernomyrdin, and other Russian leaders, I have repeatedly stressed that Georgia will take account of Russia's interests in the project, if such exist. This applies especially to the Russian construction

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workers. The project provides for the development of the infrastructure around the pipeline. So that there will be jobs for them in Georgia. Let them come and earn money. Furthermore: As we open up new infrastructure systems and renovate old ones, we keep coming back to one and the same point: to the need to settle the conflict in Abkhazia and the Georgian-Ossetian conflict as soon as possible. And thereby open up new prospects for the development of both our states. Russia has a huge freight turnover with the Caspian countries. Caspian oil, which also passes through Georgia, will invariably increase this freight turnover. Moreover, Russia's economic relations with Turkey are developing fairly rapidly. Peace in the Caucasus opens up huge possibilities, both for the Caucasian states and for Russia.

Thus it is obvious that we all benefit from the restoration of transit possibilities through Abkhazia, the Georgian Military Highway, the Roksiy Pass....

In this way the Caucasus could in the very near future become a key region on the European continent. Russia would play an important role in it, because of its huge commodity turnover. So it would be more correct to put the emphasis like this: We are not competitors, but rather allies. If, on the other hand, we do not manage to transform the situation and become isolated from Russia, Georgia, like Armenia and Azerbaijan, will seek other paths. We will have to learn to live without Russia.

[Vdovina] Georgia is a multiethnic state. I have been here for three days now, and, apart from goodwill shown to me, I have noticed nothing of this sort. How are the rights of national minorities realized in your republic?

[Shevardnadze] There was and is no incompatibility, especially between Russians and Georgians. I take full responsibility for this statement. True, there was a very short period when nationalism clouded the brains of some political leaders. Now the situation has radically changed. Just take our parliament. The majority of deputies increasingly call in their speeches for the establishment of good-neighborly relations with other peoples and for all the best things that existed in the past to be restored. The problem lies elsewhere. Take, for example, Georgia's leading organs. The percentage of Russians, Armenians, and Azeris in them is still small at the moment.... We are all citizens of the same state of Georgia, and naturally we are all equally responsible for our country's fate. And in order to be responsible, it is necessary to participate in the administration of the republic. This is an omission. We will put it right.

[Vdovina] When I was at the parliamentary session, it seemed to me that there are not many women there....

[Shevardnadze] You are right. In my election program I proposed that our fine women should constitute half our parliamentary representatives. Alas! At the time the voters did not support me in this principle. But I do not lose hope.

[Vdovina] Eduard Amvrosiyevich, I cannot refrain from asking this question. That democracy in the republic is been realized in full, I have seen with my own eyes. On the day of mourning, 9 April, there seemed to be two rallies: one outside the presidential palace, the other on the city streets. The participants in the latter — as I understood, followers of the ideas of Zviad Gamsakhurdia — went about with unhappy faces. Alongside Georgian flags they carried Dudayev's colors. They were also carrying placards with a rather strange inscription: "Shevardnadze is an agent of the Kremlin." What is your attitude to such statements? And, in general, to the existence of an opposition in the republic?

[Shevardnadze] I try to remain calm about opposition ideas. Sometimes I even try to be indulgent when I hear semiliterate malicious speeches. But democracy is democracy. True, there is one "but" here. We could lose all our democratic achievements if we allow democracy to be supplanted by permissiveness. The country needs order above all. Hence any opposition should exist within the framework of the law. And if someone violates the country's Constitution or encroaches on its integrity or sovereignty, such organizations only hamper democracy and should be banned. What good is it if anyone who can be bothered to do so can insult parliament or the president with impunity? By the way, the president was elected by the people — it was their choice, and this should not be forgotten, even for populist purposes. I think that a law banning such action is needed. As for the placards that you saw at the rally, there are always some pretty strange things here. I myself have several times heard the words "Ceaucescu! Ceaucescu!" addressed to me. These people seemed to have gone quiet lately. Perhaps because he who has has ears will hear, and he who has eyes will see. Today the reality is as follows: The republic is gradually healing its wounds. My fellow citizens do not only think about how to survive, but look to the future with great optimism.

Georgia: Tbilisi Seeks Greater UN Role in Solving Regional Conflicts

LD2604165296 Moscow INTERFAX in English 1535 GMT 26 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Eduard Shevardnadze says an active involvement by European struc-

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ture: in solving regional conflicts in the Caucasus is quite feasible, Shevardnadze told head of the U.N. mission to Georgia Livio Botha. He said Europe's interest in the region was growing.

The two men discussed the prospects of a settlement in Abkhazia, Shevardnadze's press office told Interfax.

The Georgian leader restated his firm position about the need for a peaceful solution to the Abkhaz conflict. He said Tbilisi was taking various steps including mediation by the U.N. mission and Russia and direct contacts with the separatist authorities on all level."

Botha briefed the Georgian president on his recent visit to the breakaway republic and outlined the position of the Abkhaz leaders he met in Sukhumi.

Shevardnadze has repeatedly spoken of the possibility of involvement by European and international structures in solving the Abkhaz conflict.

At a recent meeting with Assistant U.N. Secretary General Imitan Kitan in Tbilisi, the Georgian leader stressed the need for greater effort to resolve the conflict and a higher role by the mediators in the regional peace process.

During a recent visit to Brussels, Shevardnadze discussed the prospects of European participation, including the European Union and NATO, in the process.

Georgia: S. Ossetian Parliament Approves Memorandum on Mutual Trust

AU3004081096 Tbilisi DRONI in Georgian 23-26 Apr p 2

[BGI report: "South Ossetia and Georgia — Memorandum on Mutual Trust"]

[FBIS Translated Text] The South Ossetian Parliament has approved the Georgia-Ossetia memorandum. An extraordinary session of Parliament in Tskhinvali discussed the documents signed by the Georgian and Ossetian sides. Following sharp debates, the deputies approved the memorandum on mutual trust by a majority of votes. It was emphasized that it was now necessary to devise mechanisms for implementing it.

"The decision to initial the document shows that the two sides are trying to settle the conflict by peaceful means," stated Dieter Boden, head of the EU mission in Georgia.

Georgia: Ajaria Demands Presidential Republic Status Within Georgia

LD2904130496 Tbilisi IBERIA in Georgian 1125 GMT 29 Apr 96

[FBIS Translated Text] Tbilisi, 29 Apr (IBERIA) — An IBERIA correspondent learned from reliable sources that Aslan Abashidze, chairman of the Supreme Council of the Autonomous Republic of Ajaria, threatened the Georgian leadership that if in the near future Ajaria's status as a sovereign presidential republic within a single Georgian federation is not defined, he will not help to implement the plan to transport Caspian oil across Georgia.

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Estonia

Estonia: Parliamentary Speaker Meets OSCE Officials

LD2604160596 Tallinn Radio Tallinn Network in Estonian 1400 GMT 26 Apr 96

[FBIS Translated Excerpt] Toomas Savi, the Riigikogu [parliament] speaker, met Frank Swaelen, the president of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe [OSCE] and the president of the Belgian Senate. The meeting was also attended by Spencer Oliver, the director of the OSCE Parliamentary Assembly's Secretariat; Raoul Uksvarav, the leader of the Estonian national delegation at the OSCE; and Eino Tamm, the Riigikogu Foreign Commission chairman. Toomas Savi briefed the vistors on the work at the Riigikogu. Speaking about the work of the OSCE Parliamentary Assembly, Frank Swaelen emphasized the need for the members of the Estonian national delegation to attend the elections in Bosnia-Herzegovina in September as observers, as part of the OSCE mission. [passage omitted]

Prime Minister Tiit Vahi also met Frank Swaelen today. Swaelen expressed interest in the domestic political situation in Estonia, in Estonian-Russian relations and the possibilities for improvement there. Estonia's European Union and NATO memberships were also under discussion. The situation in Latvia and Lithuania was discussed as well as the Baltic states' cooperation. Frank Swaelen was interested in the problems of the Russian-speaking population [in Estonia] and concluded that the Estonian Government had done effective work in integrating the non-citizens.

Estonia: Russian Defense Expert Warns Against NATO Entry

WS2904074796 Tallinn BNS in English 1600 GMT 27 Apr 96

[FBIS Transcribed Text] Tallinn, Apr 27, BNS — Russian troops will invade Estonia immediately on Estonia becoming a member in NATO, Anatoly Surikov, considered to be the author of the Russian defense concept, affirmed to the Estonian Postimees newspaper.

"If a real attempt is made to admit the Baltic states into NATO, we'll introduce our troops into the Baltic states. This is an inevitability," Surikov said in an interview published in Postimees on Saturday.

Surikov, who is military analyst with the Russian Defense Studies Institute, said the Russian military operation would in that case start immediately.

He said no western country would come to the assistance of the Baltic states in case of their military invasion. No American or British with enough common sense will place London or Washington under the threat of a nuclear attack," Surikov said.

Another possible reason for the introduction of Russian troops would be a serious conflict in Estonia between ethnic Estonians and Russians. "This is very dangerous. Many Russians' opinion of Estonia is that of a small fascist state implementing policies of the South-African type of apartheid," he warned.

Surikov said that if Estonia could solve these two problems, there would be no grounds for conflict left between Estonia and Russia. "We are interested in the Baltic states, including Estonia, being independent countries with friendly relations with Russia," he said.

The Russian defense expert regarded Estonia's defense capacity as very low. "As a mattrer of fact, it is non-existent," he said. "You wouldn't bear a comparison with the Chechens. As for the defense of Tallinn, you simply wouldn't be able to organize the kind of defense there was in Grozny."

But, Surikov said, the countries would remain independent despite the Russian invasion. He said there would be new elections and new governments with whom Russia would start talks for the withdrawal of its troops.

"The government must be one which guarantees Estonia's non-participation in military alliances against Russia," Surikov explained. "After that we immediately withdraw our troops."

Surikov said it would be useful for Russia if Estonia played the same role in its region as Hong Kong did in Asia. "It means Estonia could be a sort of bridge between the CIS and Europe," he said.

Anton Surikov and Valeriy Dementyev published an article in the Russian Nezavisimaja Gazeta newspaper on Apr 11, in which they threatened the 'ethnocratic regimes' of Estonia and Latvia with war, if they dared join NATO.

Estonia: Parliamentarians Send Condolences on Death of Dudayev

LD2904163096 Moscow INTERFAX in English 1508 GMT 29 Apr 96

[FBIS Transcribed Text] TALLINN, April 29 (Interfax) — A group of Estonian parliamentarians has sent its condolences on the death of Chechen separatist leader Dzhokhar Dudayev to the government of the Independent Chechen Republic of Ichkeria.

Some 32 of the parliament's 101 members, including deputies of opposition and ruling party groups, with the

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exception of the Russian faction, signed the document, an Interfax correspondent reports.

"Many of us remember Dzhokhar Dudayev from his service in occupied Estonia, where he demonstrated understanding toward the striving of the Estonian people to re-establish their independence," the letter said. "He refused to use force to crush our people's movement for freedom."

The letter also expresses the hope that "with the help of international organizations, and through equal talks without prior conditions, a democratic solution, taking into account the Chechen people's right to independence, will be found."

Estonia: Doubt Expressed on Temporary Accord With Latvia

WS2904075996 Tallinn BNS in English 1900 GMT 26 Apr 96

[FBIS Transcribed Text] Tallinn, Apr 26, BNS — Estonian and Latvian senior officials expressed doubts Friday about the oral accord on Gulf of Riga fishing, reached less than two weeks ago by prime ministers Andris Skele and Tiit Vahi.

Latvian Prime Minister Andris Skele said on Friday Estonia was not yet ready to observe the April 14 agreement.

Skele said that under the reached mutual consent, separate agreements on temporary fishing, on permanent fishing and on the state border were to be signed during a meeting of the Council of the Baltic Sea States in Visby, Sweden, at the beginning of May.

The statement by the Latvian prime minister can be interpreted as an attempt to back down on the accord, said Juhan Kivirahk, chief of the Estonian government's press office.

The prime ministers at the meeting in Vilnius on April 14 concluded struck no deal to sign any documents at their next meeting in Visby, Sweden, Kivirahk said. The only date set down in the agreement was August 1, he said.

Vice Chancellor Raul Malk of the foreign ministry told BNS he agreed with the head of the government press office. "I was present at the negotiations and there was no talk about plans to sign any agreement in Visby," Malk said.

Kivirahk quoted Prime Minister Tiit Vahi as saying he couldn't be 100 percent sure that the Latvians will abide by the temporary fishing accord.

Latvia

Latvia: Foreign Minister Birkavs Meets Russia's Lukin

LD2904145696 Riga Radio Riga Network in Latvian 1400 GMT 29 Apr 96

[FBIS Translated Excerpt] Vladimir Lukin, the chairman of the Committee for International Affairs of the Russian Duma and two other members of the committee have arrived in Riga. At a meeting today with Valdis Birkavs, the Latvian Foreign Minister, the officials concluded that the period of suspicion and mistrust in Latvian-Russian relations has ended; therefore the two sides should get down to tackling practical problems. The Russian officials once again objected to NATO enlargement in an eastern direction and the alliance's move towards the Russian borders. [passage omitted]

Latvia: Russia's Lukin Hears Complaints From Russians in Latvia

LD2904130296 Moscow Radio Rossii Network in Russian 1000 GMT 29 Apr 96

[FBIS Translated Text] A representative parliamentary delegation from Russia led by Vladimir Lukin, chairman of the Duma international affairs committee, has arrived in Riga. Our correspondent Valentina Bochkova reports.

[Bochkova] Vladimir Lukin, chairman of the State Duma's international affairs committee, spent the first hours of his visit to the Latvian capital meeting with representatives of public, legal rights, and cultural organizations defending the interests of the non-native — so-called Russian-speaking — population.

The guest from Moscow received exhaustive information concerning, among other things, human rights violations in the Republic of Latvia. He was given a package of documents and a list of names of citizens, some of whom are to be deported from Latvia under Latvian law but in violation of international law.

The people at the meeting mentioned cases of Latvia not fulfilling specific provisions of the Latvian-Russian treaty on war pensioners. This concerns, among other things, the privatization of former officers' housing. Latvian state law denies this right to that category of people.

One of the most acute issues is education. As you know, the relevant Latvian ministry has decided to abolish ethnic minority schools, and its declared principle of integrating young students in a Latvian environment is in reality nothing other than assimilation.

At the meeting with his fellow countrymen in Latvia, Vladimir Lukin, chairman of the Duma international

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affairs committee, and embassy officials heard proposals on the need for better organization of their own polling stations than in December 1995, so that all the 20,000 people who have taken citizenship of the Russian Federation will be able to cast their votes in the elections.

Latvia: Prime Minister Discusses Relations With Russia

WS2904075896 Tallinn BNS in English 1900 GMT 26 Apr 96

[FBIS Transcribed Text] Riga, Apr 26, BNS — Russia's recognition of the year 1920 peace treaty with Latvia is very essential for the Baltic state, Prime Minister Anris Skele told a press conference on Friday.

"Latvia is not a state which was established after the Second World War. Latvia is and will be a state which exists already since 1918," said Skele.

This is the reason why Skele evaluates the first round of border talks between Latvia and Russia as not very productive. He noted that the Latvian delegation expressed its stance precisely within the mandate, issued to it by the government.

Skele failed to answer a question whether Latvia will agree to leave the Abrene region to Russia. He explained that, according to the Constitution, this issue is within the competence of the parliament.

Skele said that Latvia has no economic interests in this region therefore the decision would have a political character only. He noted that, if such a decision would have been taken by the parliament, the government had a full mandate for further negotiations.

During the first round of negotiations on the state border, held on Apr. 18-19, the Latvian and Russian commissions could not come to an agreement as to recognition of the 1920 peace treaty.

The Russian commission announced that Latvia's intention to base the talks on the peace treaty is unacceptable for Russia therefore it cannot speak about changing the current border.

The next round of talks will be held in Moscow in the second half of May.

The region of Abrene belongs to Latvia under the 1920 peace treaty. A part of Abrene (1,260 square kilometers) was annexed by Russia in August of 1944.

Latvia: Skele Says Russian-Latvian Border Talks Not Successful

LD2604184696 Riga Radio Riga Network in Latvian 1600 GMT 26 Apr 96

[FBIS Translated Text] The recognition by the Russian side of the peace treaty that was signed in 1920 is of fundamental importance to Latvia, Prime Minister Andris Skele told a news conference today. He stressed that Latvia is not a country that has emerged in the post-war period, rather, Latvia is a state that has existed since 1918. This is exactly the reason why he called the first round of border talks between Latvia and Russia not particularly successful. The prime minister, however, could not answer whether Latvia will agree to leave the Abrene District [former Latvian district now called Pytalovo District of the Russian Federation] to Russia, explaining that according to the Constitution this issue is a matter for the Saeima to decide. He expressed the view that Latvia does not have economic interests in connection with that district and such a decision will only have a political nature.

Latvia: Crime-Fighting Cooperation Agreement Signed With Russia

WS2604133396 Tallinn BNS in English 1316 GMT 26 Apr 96

[FBIS Transcribed Text] Riga, Apr 26, BNS — A bilateral agreement on cooperation in combatting organized crime was signed Friday by Latvian Interior Minister Dainis Turlais and his Russian counterpart Anatoliy Kulikov.

Under the agreement, the countries make a commitment to help each other to prevent, detect, investigate and eliminate criminal groupings.

The parties also agreed to exchange information and suspects.

The ministers had planned to sign one other accord on the handover and transit of arrestees but the signing was postponed because of the need to coordinate details.

Kulikov arrived in Latvia Thursday and has already met with Prime Minister Andris Skele.

Latvia: Russian Interior Minister Comments on Mercenaries in Chechnya

LD2604110196 Moscow INTERFAX in English 0951 GMT 26 Apr 96

[FBIS Transcribed Text] RIGA, April 26 (Interfax) — Some 200-250 mercenaries, mostly from the Middle East, Ukraine and Belarus, have participated in combat operations on the separatists' side in Chechnya as of

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early April, Russian Interior Minister Anatoliy Kulikov told Interfax on Thursday in the Latvian capital Riga, where he came on a two-day working visit.

There is no information on the current involvement of Latvian mercenaries in the Chechen hostilities, said the minister.

Commenting on crimes committed on the Russian-Latvian border, he said the most frequent crime is illegal arms shipments to Russia via Latvian territory. Last year alone Russian border guards detained about 500 pieces of foreign-made firearms brought from Latvia.

Other crimes are car hijacking and transborder shipment, and drug smuggling.

"Money laundering by joint ventures and banks opened by the mob" is a common problem of Russia and Latvia, said the minister.

"Economic crimes can be eliminated in Russia in the next few years," he believes, however. The minister pins his hopes on the laws On measures against corruption, On measures against organized crime, and On responsibility for legalization of criminal revenues, the State Duma is expected to adopt by fall.

Today the minister and his Latvian counterpart Dajnis Turlajs will sign an agreement on joint measures against organized crime.

Latvia: Law on Disputed Baltic Sea Oil Exploration Submitted

LD3004115196 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 30 Apr 96

[FBIS Translated Text] On Monday, the Latvian Government's Economic and Finance Committee submitted to the government a draft law on a licensing agreement with an American company Amoco and the Swedish company OPAB, the press service of the Latvian Government reported.

In October 1995, the Latvian Government signed a licensing agreement with Amoco and OPAB, whereby a right was granted to these companies for one exploration drilling in the Baltic Sea and for keeping the oil obtained in the process, the Baltic News Service reported. Lithuania is strictly opposing such activities by Latvia, since negotiations on economic zones in the Baltic Sea are still under way.

According to the draft law, Latvia would not invest anything in oil exploration activities, but will expect to receive 10 percent of the profit if oil is actually found. The law will come into force after it is passed by the Latvian Saeima [parliament].

Lithuania

Lithuania: Parliament Chairman Comments on Visit to Belarus

WS2604110196 Vilnius ELTA in English 1614 GMT 25 Apr 96

[From "News Bulletin" No. 997]

[FBIS Transcribed Text] Vilnius, April 25, ELTA — Seimas [parliament] Chairman Ceslovas Jursenas on Thursday left on official two-day visit to Belarus on the invitation by Syamyon Sharetski, Chairman of the Supreme Council of Belarus.

The Seimas delegation, headed by Jursenas, also included MPs Antanas Budvytis and Jonas Antanaitis.

During the first day of his visit Jursenas met with Sharetski, delivered a speech in the Belarusian Parliament and met with Lithuanians living in Belarus.

"We want to have the best possible relations with our eastern neighbour Belarus," Jursenas said at the meeting with Belarusian MPs. He named the present experience in cooperation as "a good start".

He said he hoped that four Lithuanian-Belarusian agreements almost synchronically ratified by both parliaments on the eve of his visit would be "a corner stone to create a space of our political, economical and cultural cooperation.

Lithuania is observing the Belarusian-Russian integration process with a great attention, Jursenas said. "Each nation, including the Belarusians, has its right to decide how it is going to share its sovereignty with the other state. We respect this right and expect that the another side will respect our (Lithuanian) option to be integrated into the Western economic and political cooperation structures," he stressed.

On Friday Jursenas will meet with Belarusian President Alyaksandr Lukashenka and Foreign Minister Uladzimir Syanko.

During the visit officials of both the countries will exchange ratified documents on bilateral agreements.

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